



# CONSTRUCTION TAX GUIDE 2002



Washington State Department of Revenue

# **CONSTRUCTION TAX GUIDE**

## **FORWARD**

This guide was created to assist people engaged in construction activities to better understand the Washington State taxes that apply to their businesses. It is intended to provide contractors with an understanding of the various construction activities and how they are taxed in Washington State.

We would like to acknowledge the following organizations for their assistance in the development of this guide and the construction industry tax workshops: the Association of General Contractors; the Association of Washington Business; the Building Industry Association of Washington; the Independent Business Association; and the National Federation of Independent Business. Their help was instrumental in developing a workshop and guide to best fit the needs of construction industry members.

The information contained in this guide is current at the time of publication. Please remember, state tax laws change on a regular basis and this guide will not reflect any changes made after printing.

We understand that you may have questions or want additional information that is not contained in this guide. You may call the Department of Revenue's Telephone Information Center staff with your specific tax questions at 1-800-647-7706 from 7:30 a.m. to 5 p.m. weekdays. Additional information on services and publications provided by the Department can be found in the back of this guide.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users please call 1-800-451-7985.

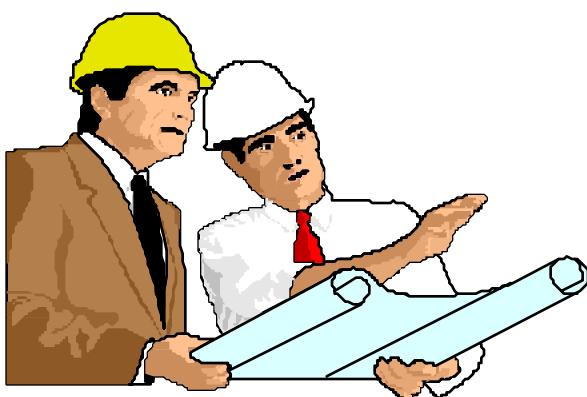
We hope you find this guide beneficial.

# INTRODUCTION

To properly report tax, businesses need to understand Washington's business tax system and general application of Business and Occupation (B&O) tax classifications, retail sales tax, and use tax. This publication is a guide to help those engaged in construction activities determine their state tax liability. It categorizes the types of construction into the following seven categories:

1. Custom Construction
2. Speculative Building
3. Federal Government Contracting
4. Public Road Construction
5. Logging Road Construction
6. Radioactive Waste Cleanup on Federal Lands
7. Environmental Remedial Action

These categories are introduced in the following general overview section. Following the overview is an in-depth discussion of how tax applies to each of the construction categories.



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## OVERVIEW OF TAXES THAT AFFECT THE CONSTRUCTION INDUSTRY

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Washington's excise taxes apply to all business activities conducted in the state. Corporations, partnerships, sole proprietorships, joint ventures, nonprofit organizations, limited liability organizations, etc., conducting business in this state (whether or not the business has office locations in Washington), are all subject to these taxes.

Businesses subject to any of Washington's excise taxes must register with the Department of Revenue by completing a Master Application. Applications are available at field office locations and through the Department's Telephone Information Center at 1-800-647-7706.

The following section provides an overview of how tax applies to the construction business. Terminology, construction activities and a general description of the seven categories of construction will be covered.

### TERMINOLOGY

**Business and Occupation Tax:** Washington's business and occupation (B&O) tax is levied on the gross receipts of business operations. This means there are no deductions for labor, materials, taxes or other costs of doing business. This is different from an income tax which is applied to the net income of business operations. The nature of the business activity determines appropriate B&O tax reporting. There are different B&O tax classifications for extracting, manufacturing, wholesaling, government contracting, public road construction, service and other activities, retailing and others. Each classification has its own tax rate. Businesses performing more than one activity may be subject to tax under one or more B&O tax classifications.

Each business owes the B&O tax on its gross income. For example: where a prime contractor has a \$100,000 construction contract and hires a subcontractor to perform a portion of the construction for \$20,000, the prime contractor is taxable on \$100,000 and the subcontractor is taxable on \$20,000.

**Retail Sales Tax:** Businesses selling goods at retail or performing retail services (such as custom prime construction) must also collect and remit retail sales tax on their total charges unless a specific exemption applies. This taxable amount includes charges for permits and other fees, labor, profit, materials and charges for subcontractors. Sales tax rates vary around the state. Contractors performing retail services must collect sales tax based on the tax rate of the jurisdiction in which they perform their services.

**TERMINOLOGY  
CONTINUED . . .**

**Wholesale Sales:** Businesses making wholesale sales do not collect retail sales tax on their charges. However, they must obtain resale certificates from the buyers to document why sales tax was not collected. Wholesale sales are those made to businesses buying a product or service for resale. Subcontractors on custom construction projects (a wholesaling activity) must receive and accept in good faith a resale certificate from the prime contractor or another subcontractor.

**Use as a Consumer:** All persons engaged in construction are consumers in regard to the tools (purchased or rented) and supplies (items which are not finally incorporated into the real estate) used in performing the construction. However, depending on the type of construction being performed, the builder may also be considered the consumer of materials incorporated into the job. Refer to the section addressing the particular construction activity to find the types of items that are used as a consumer. Contractors may not use a resale certificate to purchase items “used as a consumer” in performing construction services.

**Purchases for Resale:** Purchases for resale are purchases of items or services which will be resold without intervening “use as a consumer.” Retail sales tax or use tax is not paid on purchases for resale. Contractors purchasing items for resale must give the vendor a resale certificate to avoid paying sales tax. If sales tax is paid, the contractor may claim a “tax paid at source” deduction (WAC 458-20-102).

**Use Tax:** In general, use tax is due on items “used as a consumer” upon which retail sales tax has not been paid. If sales tax has not been paid on purchases of tools, supplies, and materials used in the construction but not incorporated into the real estate improvements, use tax is due. Use tax is also due on items extracted (such as rock) or produced (such as tooling) and used by the contractor in performing the construction. The use tax and sales tax rates are the same. The applicable tax rate is determined by the location where the item is first used or where the construction service is performed.

**TERMINOLOGY**  
CONTINUED . . .

**Deferred Sales Tax:** Deferred sales tax is due when goods are acquired without payment of sales tax under such conditions that the sales tax was due. This most commonly occurs when goods are purchased for dual purposes. A purchase for dual purpose occurs when a business purchases goods both to resell and to use in the business. A business may give its supplier a resale certificate for goods purchased for dual purposes if the majority of the goods are purchased for resale (WAC 458-20-102). While many people assume that use tax is due if goods are used without the payment of sales tax, it's actually deferred sales tax that is due. Referring to the tax as "deferred" simply means that the payment of sales tax is deferred until it is determined that the goods will not be resold. Deferred sales tax is computed upon the selling price. This includes shipping/handling or freight charges. The rate of tax is also the same as if the seller had collected the tax, regardless of contractor's location. There is no specific line on the Combined Excise Tax Return for deferred sales tax. Thus, when completing the tax return, report deferred sales tax on use tax lines.

**Gross Contract Price—Taxable Consideration:** The gross contract price to provide a construction service is the amount subject to tax. The gross contract price includes all charges related to a specified job under one contract. This includes all consideration paid without deduction for costs, even if those costs would not be defined as construction services if provided independent of a construction contract. For example, billings to a customer for building permits, engineering fees, architectural fees, tools, and tax expenses are part of the gross contract price subject to tax. A customer's payment of the contractor's liabilities directly to third parties is also taxable as part of the gross contract price.

When a contract calls for progress payments, tax is due on the gross amount billed. Sales tax is considered collected **only** when stated separately on contract documents and/or sales invoices.

## TERMINOLOGY

CONTINUED . . .

**Disputed claims/billings:** An amount not paid because of a dispute is subject to tax until the unpaid claim is written off as a bad debt. If additional income results from a court ordered settlement, the income is considered part of the gross contract amount subject to tax. Some of the settlement amount may be considered by the court to be interest because of late payments. This interest is not part of the gross contract amount, but it is subject to tax under the Service and Other Activities B&O tax classification.

**Penalty clause in the contract:** Losses suffered by a contractor because of a penalty clause for failure to complete work by a specified time are not deductible from the gross contract price in determining taxes due. If retainage is not paid because the contractor failed to perform, the lost retainage is not deductible from the gross amount subject to tax.

## CONSTRUCTION ACTIVITIES

In general terms, construction activities include, **but are not limited to:**

- installing, repairing, cleaning, improving, constructing and decorating real property;
- constructing and improving new or existing buildings and structures;
- cleaning, fumigating, razing or moving structures;
- cleaning and repairing furnaces and septic tanks;
- clearing land and moving earth;
- drilling oil or water wells;
- building or improving streets, roads, etc.;
- hazardous waste site cleanup;
- radioactive waste cleanup; and
- services in respect to the performance of any of the above jobs.

In more specific terms, construction activities also include the performance of general contracting, construction management, construction cleanup/debris removal, landscaping, painting, plumbing, electrical wiring, heat/ventilation/ air conditioning, roofing, flooring/carpeting, windows, masonry, concrete, drywall, lighting, windows, framing, carpentry, trim work, etc.



## CONSTRUCTION CATEGORIES FOR TAX PURPOSES



Businesses perform construction activities as prime contractors, subcontractors, or speculative builders. Businesses may perform construction as a prime contractor on one job, a subcontractor on another, and as a speculative builder on yet another project.

Generally, a **prime** contractor is hired by the landowner and a **subcontractor** is hired by a prime contractor. For state tax purposes, the difference between a prime contractor and a subcontractor is only significant on “custom” contracting jobs. Otherwise, a prime and subcontractor are treated the same for tax purposes.

To determine how to properly report your taxes, you must determine which category of construction activities you perform. A general description of each of the categories follows. Further information on each category of construction activity is detailed in the respective section of this guide.

### 1. Custom Construction

Generally, custom construction involves residential and commercial construction performed for others, including road construction for the state of Washington. However, custom construction is also a catch-all (or default) category for other construction activities. That is, custom contracting is the category for construction activities that are not specifically designated as speculative building; federal government contracting; public road construction; logging road construction; radioactive waste cleanup on federal lands; or designated hazardous site cleanup jobs.

**Prime Contracting:** Custom prime contracting is when a contractor is hired by a landowner (or a person having the rights of ownership, such as a lessee or easement holder) to complete an entire construction project. The custom prime contractor may perform all, or a portion of the construction, or hire other contractors (subcontractors) to perform all, or a portion of the work. The income from custom prime contracting (without deduction for any amounts paid to subcontractors) is reported under the Retailing B&O tax classification and is subject to retail sales tax unless a specific exemption applies.

**Subcontracting:** Custom subcontracting is when a contractor is hired by a custom prime contractor to provide a portion of the services necessary to complete the project. Income from custom subcontracting is reported under the Wholesaling B&O tax classification.

**CONSTRUCTION  
CATEGORIES FOR  
TAX PURPOSES**  
CONTINUED . . .

**2. Speculative Building**

Speculative building is when a builder makes improvements on land he/she owns. Speculative builders are not subject to B&O tax or retail sales tax on the sale of the real estate. They are, however, subject to the real estate excise tax. On some projects, the landowner will directly hire different contractors to perform portions of the total project. In these cases, each contractor hired by the landowner is taxable as a custom prime contractor.

**3. Federal Government Contracting**

The Government Contracting B&O tax classification applies only when a prime or subcontractor engages in constructing, installing, and improving real property of, or for, the United States, its instrumentalities, or a county or city housing authority.

**4. Public Road Construction**

The Public Road Construction B&O tax classification applies only when a prime or subcontractor builds, repairs, or improves streets, roads, etc., owned by a municipal corporation or political subdivision of the state of Washington or the federal government. (This type of construction does not apply to roads owned by the state of Washington.)

**5. Logging Road Construction:**

Logging road construction is road construction which is directly related to a logging operation. Generally, income from logging road construction which is directly related to a logging operation is reported under the Extracting/Extracting for Hire B&O tax classification.

**6. Radioactive Waste Cleanup on Federal Lands**

The Radioactive Waste Cleanup B&O tax classification applies to those performing cleanup of radioactive waste and other byproducts from weapons production and nuclear research and development.

**7. Environmental Remedial Action**

Substitute House Bill (SHB) 2051, Chapter 308, Laws of 1998 established a new B&O tax classification that applies to qualifying "environmental remedial action." Labor and services for environmental remedial action is subject to the tax rate of 0.471 percent. Prime contractors, subcontractors and professional service providers are taxable at this rate on their charges for performing environmental remedial action. Charges for providing environmental remedial action are not subject to retail sales tax.

# CUSTOM CONSTRUCTION

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This section refers to all construction jobs **except** those which are specifically defined to be speculative building, federal government contracting, public road construction, logging road construction, radioactive waste cleanup on federal lands, or designated hazardous site cleanup jobs.

**PRIME  
CONTRACTING**

**Elements of Custom Prime Contracting:** Generally, the prime contractor on a custom construction job is a contractor who is hired by the owner of the land (or person having the rights of ownership such as lessee) to complete an entire job according to contract specifications. The custom prime contractor may perform the construction services or hire others to perform some, or all, of the work.

**Excise Tax Reporting:** Gross receipts from prime contracting on a custom construction job are taxable under the Retailing B&O tax classification and are subject to retail sales tax unless a specific exemption applies.

**Custom Prime Contractors as Consumers:** The prime contractor is a consumer of all items that are not incorporated into the final project. In other words, a prime contractor is a consumer of tools, equipment, and supplies used in performing the construction service. As a consumer, the contractor must pay retail sales tax or use tax on such items.

**RETAIL SALES TAX**

**Collecting Retail Sales Tax**

Prime contractors must collect retail sales tax from the landowner on the gross contract price (without deduction of costs incurred). Billing invoices must separately state the sales tax. If the contract requires retainage, sales tax must be computed before deducting such amounts.

For purposes of determining the tax due, the Department presumes that a selling price quoted in any agreement between parties **does not** include the retail sales tax unless that tax is separately itemized (RCW 82.08.050). This is true even if the contractor and buyer know and agree that the price quoted includes state and local taxes. The words “tax included” is not sufficient. It does not overcome the requirement to separately state the sales tax.

- **Bid, Contract, Pay Estimate, or Draw Request**

A contract is written evidence of a sale and should show sales tax as a separate amount. Even though written contract language may state that the selling price includes sales tax, it does not meet the requirement of separately stating sales tax from the selling price. Additionally, progress billings made against the total contract price of a job should separately state the sales tax. If a contract separately states the tax while individual

**RETAIL SALES TAX**  
CONTINUED . . .

billings omit the tax, the contract will be satisfactory proof that a separate and identifiable sales tax amount was collected from the customer. If individual billings separate the tax, the individual billings are proof of tax collected.

• **Is Sales Tax Separately Stated?**

XYZ, Inc. custom builds residential homes on Jane Smith's land. XYZ, Inc. has determined that the contract to build is \$162,000 (\$150,000 plus 8% tax). The table below identifies the various ways in which the contractor may write the contract and explains the tax consequences:

<b>Contract Wording:</b>	<b>Is Sales Tax Separately Stated?</b>
XYZ, Inc. has a signed contract with Jane Smith which states the selling price is \$162,000 with "sales tax included." XYZ, Inc. was paid \$162,000 in total. There are no other documents supporting amounts received.	NO - The terms "sales tax included" do not quantify rate and amount of sales tax paid by Jane Smith.  $\$162,000 \times \text{tax rate} = \text{sales tax due}$ $\$162,000 \times .08 = \$12,960 \text{ sales tax due}$ B&O tax is due on \$162,000
XYZ, Inc. signs a contract stating the total price is \$150,000 plus \$12,000 sales tax. Progress invoices do not separately state sales tax.	YES - The contract quantifies the rate and amount of sales tax paid by Jane Smith and this information is clearly stated to Jane Smith and XYZ, Inc.  $\$150,000 \times \text{tax rate} = \text{sales tax due}$ $\$150,000 \times .08 = \$12,000 \text{ sales tax due}$ B&O tax is due on \$150,000
XYZ, Inc. signs a contract indicating tax was included on total price of \$162,000. However, the invoices separately state sales tax.	YES - The invoices quantify the rate and amount of sales tax paid by Jane Smith and this information is clearly stated to Jane Smith and XYZ, Inc.  $\$150,000 \times \text{tax rate} = \text{sales tax due}$ $\$150,000 \times .08 = \$12,000 \text{ sales tax due}$ B&O tax is due on \$150,000

**RETAIL SALES TAX**  
CONTINUED . . .

- **Retainage**

Sales tax must be computed before amounts for retainage are deducted. The full selling price without deduction for retainage must be reported under the Retailing B&O tax classification and is subject to retail sales tax.

As an example, let's say that School Builders, Inc. has a contract with City High School to renovate the cafeteria for \$100,000. School Builders, Inc. will invoice based on progress of the job. The sales tax rate is 8% and retainage is 5%. School Builders first progress billing should appear as follows:

**School Builders, Inc.**

123 Anywhere St.  
Olympia, WA 98501  
000.000.0000 Fax 000.000.0000

**INVOICE**

**INVOICE NO: 1**  
**DATE: January 6, 2001**

**To:**

City High School

**Billing Period:**

August 2000

ACTIVITY	DESCRIPTION	AMOUNT
	Completed to date	\$10,000.00
	Billed to date	00.00
	Contract amount due to date	\$10,000.00
SUBTOTAL		\$10,000.00
SALES TAX @ .08		800.00
Less retainage (5% of \$10,000)		(500.00)
<b>TOTAL DUE this billing</b>		<b>\$10,300.00</b>

**Make all checks payable to: School Builders, Inc.**

**THANK YOU FOR YOUR BUSINESS!**

**RETAIL SALES TAX**  
CONTINUED . . .

- **Line Item Billing**

Retail sales tax must be collected on the full selling price. The selling price includes costs that may be itemized and charged directly to the landowner. Such costs are not deductible from the total contract amount. The following invoice illustrates this:

**XYZ, Inc.**

123 Anywhere St.  
Olympia, WA 98501  
000.000.0000 Fax 000.000.0000

**INVOICE**

**INVOICE NO: 2**  
**DATE: August 2001**

**To:**

Mr. and Mrs. Jones

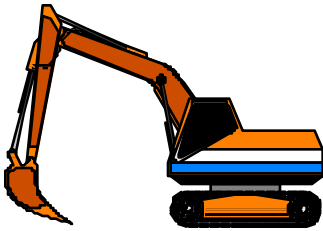
**Billing Period:**

July 2000

ACTIVITY	DESCRIPTION	AMOUNT
Misc.	Building permit	\$200.00
	Architectural services	500.00
	Dozer rental	1,000.00
	Paid dozer rental tax	80.00
SUBTOTAL		\$1,780.00
Profit & overhead		178.00
<b>TOTAL SUBJECT TO TAX</b>		<b>\$1,958.00</b>
SALES TAX @ .08		156.64
<b>TOTAL DUE</b>		<b>\$2,114.64</b>

**Make all checks payable to: XYZ, Inc.**

**THANK YOU FOR YOUR BUSINESS!**



## **Paying Retail Sales Tax**

The contractor is the consumer of items purchased for use in the construction process and not used as component parts of the finished structure. Therefore, retail sales tax must be paid to the vendors of such items.

- **Resale Certificates**

The purchase of materials by custom contractors that will become part of the completed project are purchases for resale (wholesale). Such purchases are not subject to retail sales tax. Custom contractors may also purchase subcontractor services for resale. To verify that material purchases and subcontractor services are for resale, a prime contractor must give a valid resale certificate to the materials supplier or subcontractor.

A resale certificate provides the seller with documentation that the purchases are intended for resale. The certificate must be completed in its entirety and signed by the buyer or other person authorized to make purchases on the buyer's behalf.

A prime contractor **may not** use a resale certificate to purchase items which are consumed in performing construction. Examples of such purchases are equipment, equipment rentals, tools, form lumber or visqueen not incorporated into the structure, duplex nails, and other supplies used in performing the construction. The contractor is the consumer of these items.

Contractors who use resale certificates to purchase items or services they use as consumers shall be assessed a misuse penalty of 50 percent of the tax due on the improperly purchased item or service (RCW 82.32.291). This is in addition to all other taxes, penalties, and interest due.

WAC 458-20-102 identifies the information required on the resale certificate. The buyer must specify the kinds of products or services purchased on the resale certificate. A contractor who purchases some items to incorporate into the structure and other items for use as a consumer, must clearly indicate the products or services purchased without paying sales tax. The buyer may list the particular products or services to be purchased at wholesale, or provide general category description of these products or services. The terms used to describe these categories must be descriptive enough to restrict the application of the resale certificate to those products or services which the buyer is authorized to purchase at wholesale. "Building materials" or "subcontract work" are examples of terms that may be used by a prime contractor. A buyer who purchases all of the products or services from a particular seller at wholesale may use all products and/or services" to describe the items.

For example: Residential Construction Co. purchases building materials to

CONTINUED . . .

incorporate into a project and tools for its own use from Joe's Supply Co. Residential Construction Co. must give Joe's Supply a resale certificate limiting the certificate's application to building material purchases. Joe's Supply must collect tax on the sale of tools from Residential Construction. Consistent with the information included on the resale certificate, sales of building materials will not be subject to sales tax.

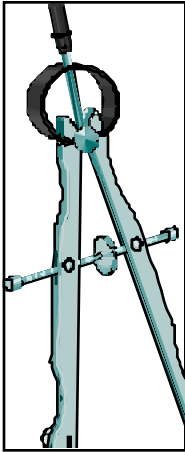
If the contractor gives a resale certificate to the seller and later uses the item listed on the certificate, or if the seller failed to collect the sales tax on items not listed on the certificate, the buyer must remit the deferred sales tax due to the Department.

#### **USE TAX**

Use tax is due if sales tax has not been paid on items the contractor uses as a consumer. Normally, use tax is due (if sales tax hasn't been paid) on the following: equipment, tools, supplies, and rentals of equipment, even if the cost for these items is passed along to the landowner. The manner in which the contractor bills to recover expenses of items used as a consumer is inconsequential. For example, the sales tax or use tax is due on the purchase of a specialized tool for a one-time job even though the purchase price is passed on to the customer as a line item.



**SERVICES  
RENDERED IN  
RESPECT TO  
CONSTRUCTION**



**CONSTRUCTION  
MANAGEMENT**

House Bill 2261 (*effective July 25, 1999*) clarifies the phrase "services rendered in respect to constructing" for purposes of the business and occupation and sales and use taxes. The intent of the bill is to resolve any confusion due to inconsistencies between some Board of Tax Appeals decisions, Superior Court decisions, and Department determinations.

"Services rendered in respect to constructing," means contracting to be "responsible for the performance" of the actual construction. "Responsible for the performance" means that the person is responsible for the completed construction without regard to who actually performs the construction. A person who only reviews work related to construction but who does not supervise or direct the work is not providing "services rendered in respect to constructing."

A contract to perform professional services (such as engineering, architectural, surveying, etc.) will not be considered "services rendered in respect to constructing" if a subsequent construction contract is awarded separately to the same person. The contracts will be considered as awarded separately, if at the time the professional services contract is awarded, the parties did not contemplate that the same person would be "responsible for the performance" of the construction.

When a single contract calls for both professional services and "services rendered in respect to constructing," the total contract price is subject to tax according to the predominant activity performed under the contract.

Construction management services performed for a consumer are considered services rendered in respect to construction and the income is subject to Retailing B&O tax and retail sales tax. This includes those management jobs where the management in substance is prime contracting. Statements in contracts that the "manager" does not have liability for payment of subcontractors or material billings, or does not have final choice over the vendors of these items, does not preclude the activity from being considered services in respect to construction.

**CONSTRUCTION  
ACTIVITIES AND  
RELATED PARTIES**

Washington's tax structure imposes a tax on transactions. Whenever there is a transaction (purchase, sale) between two or more persons (entities), tax generally applies. For tax purposes, individuals as well as any separately organized entities (such as partnerships, corporations, joint ventures, etc.) are separate persons. For example, a corporate officer is a separate person from the corporation even though the officer may own all of the corporate shares. Transactions between related entities are treated the same way as transactions between unrelated entities. Persons who perform custom construction upon land owned by related entities are custom prime contractors and must collect sales tax on their charges.

When there is no contract price stated, no billings to support the contract price, or the receipts do not indicate taxable income, the taxable amount is the total amount of construction costs including any charges for licenses, fees, permits, etc., required for construction and paid by the contractor.

**SOLID FUEL  
BURNING DEVICES**

Custom prime contractors must collect and remit the solid fuel burning device fee, \$30 per device, from consumers for all such devices installed in construction improvements. A solid fuel burning device means any device for burning wood, coal, or any other non-gaseous and non-liquid fuel, including a woodstove and fireplace.

**OTHER INCOME**

Income received under energy efficient housing credits or union subsidized wages is taxable under the Service and Other Activities B&O tax classification.

**DEDUCTIONS**

Following are some deductions applicable to custom construction activities. Some deductions are applicable to both the B&O tax and retail sales tax, however, many deductions are only applicable to one or the other tax.

**Sales tax paid on materials:** A deduction is allowed under retail sales tax for the purchase price of materials incorporated into the structure if sales tax was paid. For example, if materials costing \$500 plus \$40 sales tax are incorporated into a custom prime contracting job, then a deduction of \$500 is allowed from retail sales tax under the deduction line "Taxable Amount For Sales Tax Paid At Source."

**Construction performed outside this state:** Neither B&O tax nor retail sales tax applies to income earned from construction activities performed outside of Washington.

**DEDUCTIONS**  
CONTINUED . . .

**Installation of manufacturing/research and development machinery and equipment:** Charges for installing machinery and equipment for manufacturers at a manufacturing site are exempt of retail sales tax. In addition, the cost of the machinery and equipment is also exempt. A manufacturer's sales and use tax exemption certificate must be secured from the manufacturer (RCW 82.08.02565).

**Distressed area approved projects:** The Distressed Area Deferral/Exemption Program grants a waiver of sales/use tax on pre-approved construction of manufacturing research and development and/or computer-related business facilities, and installation of related machinery and equipment. The contractor is not required to collect sales tax on such charges if the customer presents a deferral certificate from the Department.

**Construction on Indian reservations:** Construction performed on an Indian reservation for an enrolled member of the federally recognized tribe of that reservation, or the tribe itself, is exempt from sales tax.

**Agricultural employee housing:** Construction of qualifying agricultural employee housing is exempt from retail sales tax when performed for: agricultural employers, housing authorities, federal, state, and local government agencies, nonprofit community or neighborhood-based organizations that are exempt from income tax under 501(c) of the Internal Revenue Code of 1986, and for-profit entities. An agricultural employee housing exemption certificate must be secured from the agricultural housing provider.

**Alternative Housing for Youth in Crisis:** Sales tax does not apply to materials (only) used in construction performed for health and welfare organizations or Alternative Housing for Youth in Crisis. The contractor must segregate materials from all other charges. All other costs and charges, such as labor, are subject to sales tax.

**OTHER TYPES OF  
PRIME  
CONTRACTING**

Technically, federal government contractors, public road contractors, and logging road contractors may also be prime contractors, however, the taxability of those particular activities is different from that of custom prime contracting jobs. Accordingly, those activities are discussed separately in other sections of this guide.

## **SUBCONTRACTING**

Generally, a custom subcontractor is a contractor who is hired by a prime contractor to provide a portion of the construction services necessary to make improvements on real estate owned by a third party. Sales tax need not be collected on the subcontractor's charges if the subcontractor secures a resale certificate from the prime contractor. Income from custom subcontracting jobs is reported under the Wholesaling B&O tax classification. (The prime contractor will collect sales tax from the landowner on the total contract price which includes all subcontractors' charges.)

### **Subcontracting activities**

Generally, subcontractors perform: roofing, electrical, plumbing, concrete paving, asphalt paving, heat/ventilation/air conditioning, excavating/moving earth, windows, carpeting, lighting, interior decorating, drywall, plaster, tiling, fencing, finish work, and landscape installation.

## SPECULATIVE BUILDING

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Speculative builders construct residential or commercial buildings on **land they own** (or on real estate for which they are a lessee, or have the right of possession). Speculative builders are subject to real estate excise tax on the selling price of the land along with all attachments including buildings, roads, and other structures. The sale of real estate is not subject to the B&O tax or retail sales tax.

A speculative builder is the consumer of all material incorporated into the real estate. A speculative builder may not use a resale certificate to purchase materials used in speculative building. Any construction contractor hired by a speculative builder is a custom prime contractor for tax purposes and not a subcontractor. Hence, any contractor performing construction services for a speculative builder must charge sales tax on the total contract price.

### LAND OWNERSHIP



As explained above, the definitions of custom and speculative building and the resulting tax consequences are based upon who owns the land. Building on land owned by another is prime construction (unless specifically defined otherwise) and building on your own land is speculative construction. Therefore, land ownership must be established to determine the proper tax application to the construction work performed.

The owner of real property is generally the holder of the recorded title. However, it is possible for a person to hold title to real property which he/she does not own. Therefore, attributes of ownership, other than mere title to the property, may determine the tax application.

WAC 458-20-170 identifies four criteria that can be used in determining who holds the attributes of real estate ownership (other criteria may be used as well). They are:

1. The intentions of the parties in the transaction under which the land was acquired;
2. The person who paid for the land;
3. The person who paid for improvements to the land; and
4. The manner in which all parties, including financiers, dealt with the land.

The attributes of ownership establish who has the rights and liabilities of a property owner. That is, who has the ownership rights and liabilities to the extent that a court would call that person the owner of real property, despite the fact that someone else may hold mere bare title to the property. Holding documentation which, by itself, labels a party to the transaction as landowner does not override the other attributes of ownership if those attributes are held by another person.

For example:

Party A - Original Landowner/Seller

Party B - Contractor/Nominee

Party C - Customer/Purchaser

Party A wishes to sell its land. Party C wishes to purchase Party A's land and have Party B construct a house on it. For financing purposes, title is first transferred to Party B as nominee for Party C. At this point, the title will show Party B as "Grantee and Nominee." Then Party B constructs the home. Afterwards, Party B transfers title to Party C.

Although Party B is shown as title holder during construction of the home, he/she does not have the attributes of ownership. Therefore, Party B is not a speculative builder of the home, but is a custom prime contractor to Party C.

### **Certain Title Transfers will be Disregarded**

When an owner of real estate sells to a builder who improves the property and then resells the improved property back to the original owner, the builder is not taxable as a speculative builder. The total activities are taxed as custom prime construction.

### **Pre-sales Agreements**

Additionally, a prospective buyer will not be the owner of land by merely executing a purchase and sale agreement or pre-sale agreement with the contractor (even if a substantial amount of money is paid). In this case, there has not been a transfer of ownership rights and liabilities until the closing has taken place.

### **Selling a Speculative Home During the Course of Construction**

When a speculative builder sells or contracts to sell property upon which there is a building under construction, all construction completed subsequent to the date of such sale or contract constitutes custom prime contracting.

The "retail sale" does not take place until the purchasers have the "right of possession" to the real property being constructed. Typically, the right to possession is transferred on the date of closing the property conveyance. Therefore, retail construction on what was originally a speculative house does not occur until after closing.

## JOINT VENTURES

The formation of a joint venture is a common way to accomplish the development of real estate. Many times the members of the joint venture include a person that owns property (landowner member) and a general contractor (contractor member). The formation of a joint venture is the creation of a third entity. When construction takes place on the property, tax consequence is determined by the answers to the following questions:

1. Which entity owns the land? Does a member or joint venture entity own the land?
2. Which entity is providing the construction services? Is a member performing the construction services as a separate entity (prime contractor for the joint venture or landowner) or is the joint venture performing the construction services itself (contractor is performing service as a member of joint venture)? The answers to these questions will determine the tax liabilities of the joint venture entity and specific members.

If construction services are performed by a member as a separate entity on land owned by one of the other entities (the joint venture entity or landowner), the construction services are taxable as custom prime contracting. The contractor must collect retail sales tax on the full contract price (labor and materials) from the landowner. This is true even if the contractor is a member of the joint venture.

When a joint venture owns the land and the contractor performs construction services as a member of the joint venture (versus a separate entity), the joint venture is a speculative builder. In this case, the work performed by the contractor is a contribution to the capital of the joint venture. The joint venture entity must pay retail sales tax or use tax on materials purchased or produced for incorporation into the real estate.

To be treated as a speculative builder, a joint venture entity must actually exist and the joint venture entity must own the land **and** perform the construction itself.

Land ownership is established by the attributes of ownership as discussed above. The following factors are significant in determining whether construction activities are performed by a joint venture or by other parties involved in the construction:

1. Was the joint venture specifically formed to perform the contract work?
2. Did the formation of the joint venture begin prior to construction?
3. Was the construction work actually performed by the joint venture (versus by a separate entity)?

**JOINT VENTURES**  
CONTINUED . . .

4. Were the funds handled as joint venture funds rather than as separate funds of any party to the joint venture agreement?
5. Was there a contribution of money, property and/or labor so that any profit or loss incurred by the joint venture is proportionately shared by all members?

Where a member is guaranteed a fixed amount as compensation for construction services independent of any right to profit or gain, such amount is taxable as custom prime contracting.

**ROAD BUILDING ON  
SPECULATIVE  
PROJECTS**

Generally, the construction of roads on private property by a prime contractor is a retail sale subject to retail sales tax on the full contract price (labor and materials). However, when the road will be deeded to a city or county, the construction is taxable as public road construction. In this case, the road contractor's charges to the speculative builder are not subject to retail sales tax. A road contractor is the consumer of all materials it incorporates into the roads. This means the road contractor must pay retail sales tax or use tax on such materials. This includes materials provided by the speculative builder. However, if the speculative builder (landowner) has paid retail sales tax or use tax on the materials, the tax is not due again from the road contractor.

The speculative builder remains a consumer with regard to all materials purchased or produced for incorporation into the road. Therefore, the speculative builder must pay retail sales tax or use tax on materials provided to the road contractor. In this case, both contractors are consumers with liability for payment of retail sales tax or use tax on materials. However, the value of the materials is only subject to the tax once. Therefore, when one contractor has paid the tax, the tax liability has been satisfied with regard to those materials.

If the road is not finally dedicated to the public body within a reasonable period of time after the work is completed, the speculative builder will be liable for use tax on the charges of the road contractor. A reasonable period of time has generally been limited to one year or less.



## **GOVERNMENT CONTRACTING**

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Government contractors, either as prime or subcontractors, perform construction, installation, and/or improvements to real property of, or for, the United States, its instrumentalities, or a county or city housing authority. This category does not apply to federal road construction (see public road construction). The activities include, but are not limited to:

- Constructing, repairing, decorating, and improving new or existing buildings or other structures;
- Installing and attaching tangible personal property to new or existing buildings or other structures;
- Clearing land; and
- Moving earth.

Gross income from such construction is subject to the Government Contracting B&O tax. Construction activities performed to improve real property of, or for, the U.S. is not a retail sale. It is prohibited under the federal constitution to directly impose a tax on the federal government. Accordingly, the government contractor does not collect sales tax on charges for such work.

Activities such as the mere sale of tangible personal property or providing professional services to the federal government are not reported under this classification.

### **Government contractor is the consumer**

The government contractor is the consumer of property incorporated in, installed in, or attached to the federal construction job. The contractor (prime or subcontractor) must pay sales or use tax on all materials which become a physical part of the project. This includes items manufactured or extracted by the contractor, and also includes property provided by the federal government.

A government contractor is also a consumer of machinery and equipment provided by the government. Use tax is due on the reasonable rental value of the equipment provided.

Subcontractor's charges to prime contractors on government contracting jobs are not subject to sales tax.

## **PUBLIC ROAD CONSTRUCTION**

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Public road construction is the activity of building roads, streets, sidewalks, etc., owned by cities, counties, or political subdivisions of the state or the United States which are primarily used for foot or vehicular traffic. Both prime and subcontractors engaging in these activities are subject to Public Road Construction B&O tax. Public road contractors do not collect retail sales tax.

Building roads which are owned by the state of Washington, privately owned, or owned by tribes on their Indian reservations, are not public road building. These activities are taxable as custom contracting. There is an exemption from retail sales tax for construction on land owned by tribes on their Indian reservations.

### **PUBLIC ROAD BUILDING ACTIVITIES**



The terms “building, repairing or improving of a publicly owned street, place, road, etc.,” **include**:

- clearing, grading, graveling, oiling, paving, and the cleaning thereof;
- constructing of tunnels, guard rails, fences, walks and drainage facilities;
- planting of trees, shrubs and flowers therein;
- placing of street and road signs;
- striping of roadways;
- painting of bridges and trestles;
- construction of road and street lighting systems, even though portions of such systems are also used for purposes other than street lighting;
- construction of a drainage system in roads, even though such systems are also used for the carrying of sewage (storm sewage);
- mining, sorting, crushing, screening, washing and hauling of sand, gravel and rock taken from a public pit or quarry; and
- construction of certain mass transit buildings for mass transit authorities.

The terms “building, repairing or improving of a publicly owned street, place, road, etc.,” **do not include**:

- constructing water mains, telephone, telegraph, electrical power, or other conduits or lines in or above streets or roads, unless such power lines become a part of a street or road lighting system;
- constructing of sewage disposal facilities (sanitary sewers);
- installing of sewer pipes for sanitation unless within, and a part of, a street or road drainage system; and
- construction, repairing, improving parking lots (unless part of a mass transportation facility).

**PUBLIC ROAD  
BUILDING  
ACTIVITIES**  
CONTINUED . . .

Additionally, construction of streets or roads dedicated to a city or county is public road construction. If the road is not finally dedicated to the public body within a reasonable period of time after the work is completed, retail sales tax applies.

**Public road contractor is the consumer**

Public road contractors (both prime and subcontractors) are consumers of materials they incorporate as an ingredient or component of a road. Public road contractors must pay retail sales or use tax on all materials they place in, or on, the road as well as on equipment and supply purchases. This applies to materials whether they are purchased, provided by others, or manufactured/extracted by the contractor.

**MANUFACTURING/  
EXTRACTING  
MATERIALS BY THE  
CONTRACTOR**

**Off-site Asphalt Plants**

The production of asphalt away from the road construction site is a manufacturing activity. The value of the material produced is subject to the Manufacturing B&O tax and use tax. The taxable value is equal to all costs incurred to produce the asphalt, including labor and overhead.

**Rock**

The removal of rock from either a pit owned by the road builder or from pits owned by or leased to the public authority is considered extracting. The value of the rock is subject to Extracting B&O tax. If the contractor also applies the materials to the road, the value of the rock is subject to use tax. The value is determined by the total costs attributable to the extracted and processed rock, including raw material, extraction and processing costs, overhead, and any transportation costs between the extraction site and the processing site.

**Job Site Plants**

The production of asphalt at a public road construction job site pursuant to performing a road construction contract is not manufacturing. Sales tax or use tax is due on the value of the raw materials used to produce the asphalt.

**Processing Rock for Placement by Political Subdivisions**

The business and occupation tax does not apply to the cost of, or charge made for, labor and services performed in respect to the mining, sorting, crushing, screening, washing, hauling, and stockpiling of sand, gravel, and rock. This is true when such sand, gravel, or rock is taken from a pit or quarry which is owned by or leased to a county or city and is:

**MANUFACTURING/  
EXTRACTING  
MATERIALS BY THE  
CONTRACTOR**  
CONTINUED . . .

- stockpiled in said pit or quarry for placement on the street, road, or highway by the county or city itself using its own employees; or
- placed on the street, road, or highway by the county or city itself using its own employees; or
- sold by the county or city at actual cost to another county or city for road use.

In this case, since the rock processor is not applying the materials to the road, it does not owe use tax on them.

**MATERIAL  
PROVIDERS**

A business which simply sells (doesn't apply or spread) materials without performing public road construction activity is not in the business of public road construction. They must collect retail sales tax on total charges for materials (including delivery charges) from the purchasing contractor.

**BIFURCATION OF  
CONTRACT  
ACTIVITY**

Public road construction includes the business of building, repairing, or improving any street, place, road, etc., which is owned by a municipal corporation or political subdivision of the state or the United States. Road work completed on property owned by the state or an individual is not public road construction. The definition is based on ownership of the road, not who pays for the road work. Therefore, a road contract with the state which includes improvements to a passage of road owned by the United States is part retail and part public road construction. In this case, only part of the total construction is taxed as public road construction. The remainder is taxed as custom construction.

## **LOGGING ROAD CONSTRUCTION**

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Logging road construction is the activity of building roads directly related to a timber harvesting operation. Such activities include maintaining logging roads as well as the original road construction. The gross contract price is taxable under the Extracting/Extracting for Hire B&O tax classification. Also, the contractor owes Extracting/Extracting for Hire B&O tax and use tax on the value of materials extracted for the job. Private road construction in any other context is a sale at retail.

Logging road contractors are the consumers of any materials they incorporate into the roads. The contractor must pay retail sales or use tax on the value of the materials. If the contractor has not purchased the materials, he/she must pay use tax based on the value of the materials. For example, rock includes rip rap, pit run, crushed rock, and other rock products used in logging road construction. The value of the rock extracted and/or applied to the roads is the total cost attributable to extracting and processing. Total cost includes raw material, extraction and processing costs, overhead, and any transportation costs between the extraction site and the processing site, if it is extracted by the contractor. Transportation from the processing site to the job site is not subject to use tax.

## **RADIOACTIVE WASTE CLEANUP ON FEDERAL LAND**

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A special B&O tax classification applies to contractors performing cleanup of radioactive waste and other byproducts of weapons production and nuclear research and development on federal land. Cleaning up radioactive waste and other byproducts of weapons production and nuclear research and development for the United States, or its instrumentalities, includes the activities of handling, storing, treating, immobilizing, stabilizing, or disposing of radioactive waste, radioactive tank waste and capsules, non-radioactive hazardous solid and liquid wastes, or spent nuclear fuel; spent nuclear fuel conditioning; removal of contamination in soils and ground water; decontamination and decommissioning of facilities; and activities integral and necessary to the direct performance of cleanup (RCW 82.04.263).

Contractors performing such cleanup must report the income under the Cleanup of Radioactive Waste for U.S. Government B&O tax classification. Contractors are considered to be the consumer of materials incorporated into such projects and must pay retail sales tax or use tax on such materials.

## **ENVIRONMENTAL REMEDIAL ACTION**

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This category applies to prime contractors, subcontractors and professional service providers performing environmental remedial action. Charges for environmental remedial action are subject to that tax at the rate of 0.471 percent and are not subject to retail sales tax. The environmental remedial action B&O tax classification was established as a result of Substitute House Bill (SHB) 2051, Chapter 308, Laws of 1998 effective July 1, 1998. Prior to that date, most similar activities were subject to the service and other activities B&O tax classification.

“Environmental remedial action” is defined as a service relating to identification, investigation or cleanup of hazardous substances resulting from a release or threatened release in one of the following three situations:

1. Action conducted independently by the owner of the contaminated site provided the action is conducted equivalent to MTCA or Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) standards;
2. Actions conducted by site owners or operators in response to an agency order or court issued consent decree with the Environmental Protection Agency or the Department of Ecology; or
3. Action conducted or supervised by the Environmental Protection Agency or the Department of Ecology.

A site is eligible for environmental remedial action after the information on the following form(s) has been submitted, via certified mail, to the Departments of Ecology and Revenue. If necessary, you may make copies of the forms for your use. The Department of Revenue will respond in writing to the owner within 30 days confirming receipt of the certification of eligibility.

The owner will then provide a copy of the confirmation letter from the Department of Revenue to each person who performs environmental remedial action at the site. Each person who renders such action must separately state the charges associated with the environmental remedial action from any other charges.

It is no longer required that the site be designated as a “hazardous waste site” under the federal Superfund law or the Model Toxics Control Act of Washington “MTCA”. No longer is a combination of retail and service activities required for certain contractors to obtain favorable tax treatment. It is not required that a governmental agency inspect and certify the site or actions.

This new law became effective July 1, 1998 and is currently scheduled to end on June 30, 2003. It effectively supersedes Revenue policy memorandum (RPM) 89-1R.1.92 with regards to the taxation of environmental remedial actions.

It is important to note that contractors are “consumers” under RCW 82.04.190 and owe retail sales tax or use tax on tangible personal property they apply or install in performing such contracts.



## OWNER/AGENCY CERTIFICATION OF ENVIRONMENTAL REMEDIAL ACTION

**This Certification must be accompanied by either an Environmental Professional Certification (Rev 41 0061) or a copy of an enforcement order, agreed order, or consent decree signed by the Washington State Department of Ecology or the United States Environmental Protection Agency. On 8 1/2 x 11 paper, please include a copy of the County Assessor's parcel map or a similar map showing the property and surrounding area.**

1. Location of the subject property:

Street Address

City

County

DOR Use Only

Property Tax Parcel Number

2. This Certification is provided by:

- ☐ Owner of the subject property
- ☐ Washington State Department of Ecology
- ☐ U.S. Environmental Protection Agency

3. The proposed environmental remedial action, as that term is defined in Chapter 308, Laws of 1998, to be conducted upon the subject property is one of the following: **(check one box only)**

- ☐ **Conducted independently** and in a manner consistent with the requirements of the Model Toxics Control Act, Chapter 70.105D RCW (MTCA).
- ☐ **Conducted independently** at a designated Superfund site and in a manner consistent with the requirements of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601et. seq. (CERCLA).
- ☐ **Conducted to comply** with an enforcement order, agreed order, or consent decree issued by the Department of Ecology pursuant to MTCA.
- ☐ **Conducted to comply** with an enforcement order, consent order, or consent decree issued by the United States Environmental Protection Agency pursuant to CERCLA.
- ☐ **Conducted by the Department of Ecology** or its authorized contractor pursuant to MTCA.
- ☐ **Conducted by the United States Environmental Protection Agency** or its authorized contractor pursuant to CERCLA.



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REV 41 0062-2 (10-29-98)



## PROFESSIONAL CERTIFICATION CONFIRMING ENVIRONMENTAL REMEDIAL ACTION

**This Certification is to be submitted with an Owner/Agency Certification of Environmental Remedial Action (Rev 41 0062). On 8 1/2 x 11 paper, please include a copy of the County Assessor's parcel map or a similar map showing the property and surrounding area and the approximate location of the proposed environmental remedial action.**

1. I am one of the following:

- ☐ Certified Underground Storage Tank Service Provider per Chapter 90.76 RCW  
☐ Professional Engineer, License No. \_\_\_\_\_  
☐ Other Environmental Professional Subscribing to a Code of Professional Conduct

Organization administering

Code of Professional Conduct: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone No: \_\_\_\_\_

2. I, \_\_\_\_\_, confirm that an environmental remedial action as that term is defined in RCW 82.04.2635, is to be conducted on the following property:

Address \_\_\_\_\_ City \_\_\_\_\_ County \_\_\_\_\_

Property Tax Parcel Number \_\_\_\_\_

**Under penalty of perjury under the laws of the State of Washington and other penalties prescribed by law, I certify that the foregoing information is true and correct.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date and Place

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
City, State, Zip Code

**Submit one copy of this certification to each agency listed below.**

State of Washington, Department of Ecology  
Attn: Notice of Environmental Remedial Action  
Toxics Cleanup Program  
PO Box 47600  
Olympia, WA 98504-7600  
(800) 826-7716, **TTY** (360) 407-6006

State of Washington, Department of Revenue  
Taxpayer Account Administration  
Document Management Section  
PO Box 47476  
Olympia, WA 98504-7476  
(800) 647-7706, **TTY** (800) 451-7985

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users may call (800) 451-7985.

## AUDIT PROCESS

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### BEFORE THE AUDIT

The Department of Revenue selects businesses for routine audit to determine whether the proper state excise taxes have been reported and paid. Most audits are selected by statistical methods based on criteria ranging from Standard Industrial Codes (SIC) to volume of sales.

After receiving an audit assignment, the auditor usually contacts the business by telephone to make an appointment. A letter confirming the date and identifying the audit period and records to be examined will usually follow. The auditor will also ask the business to complete a Washington Business Activities Statement and identify any affiliates, subsidiaries, and divisions.

The statutory period covers the four preceding calendar years, plus the current year through the end of the last calendar quarter (RCW 82.32.050). The statutory period does not apply if:

- A taxpayer has not registered as required by statute;
- Fraud or a misrepresentation of material fact is present; or
- The taxpayer provides a written waiver extending the period.

### WHAT OCCURS DURING AN AUDIT?

During an audit, the auditor will:

- Verify income — amounts and classifications reported on return;
- Reconcile calendar year sales;
- Verify deductions and exemptions;
- Verify sales or use tax paid on capital assets, consumable supplies, and articles manufactured for commercial or industrial use;
- Review Washington State Combined Excise Tax Returns, along with state apportionment schedules and consolidating work papers;
- Review federal income tax returns for the business;
- Review summary accounting records and source documents;
- Review journals such as check registers, the general ledger, sales journal, general journal, cash receipts journal and any other records used to record income and expenses;
- Review/test sales invoices;
- Review/test purchase invoices (i.e., accounts payable, receipts);
- Review depreciation schedules listing all assets acquired during the audit period along with purchase invoices for those assets;
- Review resale certificates for any wholesale sales made;
- Review supporting documentation for all deductions and exemptions;
- Review annual reports; and
- Review other documents as necessary.

## **COMPUTER ASSISTED AUDIT PROGRAM**



## **AFTER THE AUDIT**

To provide better service to Washington's taxpayers, the Department has developed the Computer Assisted Audit Program (CAAP). The primary purpose of CAAP is to gather and review taxpayer data in an electronic format.

The Computer Assisted Audit Program benefits taxpayers by:

- Increasing efficiency by reducing the time, effort, and human resources necessary to conduct an audit;
- Maximizing consistency and fairness obtained from the efficiencies relating to stratified sampling;
- Minimizing the detailed review of support documentation while maintaining sound auditing procedures;
- Allowing continual access and review of data throughout the audit process; and
- Providing a foundation for auditing in an Electronic Data Interchange (EDI) environment.

At the end of each audit, the auditor will hold an exit interview. At this time, the auditor will discuss the findings and present the taxpayer with a draft of the audit schedules. The taxpayer will either agree or disagree with the audit findings. Upon completion of the field work, an internal review process occurs before the taxpayer receives the final notice of assessment.

The auditor will provide copies of applicable schedules, laws, rules, and an opportunity to pay the tax and interest. Paying the assessment at the end of the field audit prevents additional interest from accruing.

The auditor then prepares the final audit report for the review process. A field audit manager reviews the audit before submitting it to the Audit Division's audit review unit. The audit review unit processes the audit and issues the notice of assessment. It commonly takes six to eight weeks to receive the final audit package which includes the notice of assessment, auditor's detail of differences and instructions to the taxpayer, audit schedules, and applicable rules (WAC) and laws (RCW).

Notices of assessments with tax deficiencies require payment within 30 days from the date the audit is mailed. Notice of assessments with overpaid taxes will receive a credit notice that can be applied to future returns. A business wishing to receive a refund rather than a credit may advise the auditor of that preference.

## AFTER THE AUDIT

CONTINUED . . .



## FORMAL APPEAL PROCESS

Businesses disagreeing with the auditor's findings may request a supervisor's conference. This is an informal process in which the field audit manager contacts the taxpayer to discuss areas of disagreement. If the field audit manager agrees with the taxpayer, the auditor will make the necessary corrections.

If the field audit manager agrees with the auditor's application of the law, the taxpayer may submit a formal written appeal to the Department's Appeals Division.

RCW 82.01.060 requires the Director of the Department of Revenue to provide an adequate system for reviewing the actions of the Department or the actions of its officers and employees in the assessment or collection of taxes. The Department's Appeals Division fulfills this function in its primary role to resolve taxpayer appeals arising from such actions.

Tax policy specialists functioning under the working title of "administrative law judge" review and determine appeals. The administrative law judges are attorneys specially trained in Washington's tax law. After considering the taxpayer's appeal, the administrative law judge issues a written determination or letter ruling which grants, denies, or modifies the tax assessment or departmental action.

### ***Time period for appeal***

A business that disagrees with audit findings may make a formal appeal to the Appeals Division. Any appeal must occur within 30 days of the date of the notice of assessment or by the due date of the assessment, whichever is later. A taxpayer who does not appeal within this time must first pay the assessment. After payment, the taxpayer may then petition the Appeals Division for a refund.

WAC 458-20-100, included with each notice of assessment, explains the appeals/petition for refund process and provides a sample petition for appeal. The appeal must be mailed to:

Appeals Division  
Washington State Department of Revenue  
Post Office Box 47460  
Olympia, Washington 98504-7460

## FORMAL APPEAL PROCESS

CONTINUED . . .

### *Categories of appeals*

There are five categories of appeals:

- **Mainstream** appeals constitute the majority of all appeals. An appeal is mainstream unless it falls into one of the other categories.
- **Requests for reconsideration** allows a taxpayer who feels that an administrative law judge has erred in issuing a determination to request a reconsideration of the decision. The administrative law judge who heard the original appeal will usually review for reconsideration. As with other appeals, a request for reconsideration must be filed within 30 days of the original decision.
- **Small claims** appeals provide an expedited review of the appeal, within 90 days, for cases in which the disputed amount is \$5,000 or less in tax and \$10,000 or less in interest or penalties. A taxpayer may request that the appeal be heard under the small claims program. The Department may decline the request if the issue is a matter of first impression (no Department precedent), involves complex factual, legal or constitutional issues, or includes multiple issues. Appeals heard under the small claims program are not eligible for reconsideration.
- **Executive-level** appeals provide review of appeals having industry-wide significance or impact, or for which there are no previous precedents by the Appeals Assistant Director, or in some cases, the executive management team. A taxpayer may request an executive-level appeal, however, the Department alone determines whether an appeal will be given such consideration. Executive-level appeals are not eligible for reconsideration.
- **Appeals of revocation proceedings** provide a prompt and independent administrative review of a decision to revoke a tax registration.

Taxpayers who disagree with a determination issued by the Appeals Division may petition for appeal to the Board of Tax Appeals within 30 days of the date of the determination. A taxpayer filing an appeal with the Board of Tax Appeals must pay the tax by the due date, unless arrangements are made with the Department of Revenue.

Unless a bond is posted, the Board's acceptance of the petition does not stop the collection activity by the Department of Revenue.

A taxpayer who disagrees with a tax assessment or a determination issued by the Appeals Division may directly petition the Superior Court of Thurston County for refund. Payment of the tax assessment is necessary before the Court will entertain such a petition.

## SUMMARY

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### **OUT-OF-STATE CONTRACTORS**

Construction contractors who perform construction activities within this state are subject to Washington's excise taxes, even if they don't have a place of business within this state. These contractors must register with the Department of Revenue and report taxes generated from their activities within Washington State.

Use tax is due on all equipment brought into this state to perform construction if sales tax has not been paid. The use tax is based on the fair rental value of such equipment if it is used in this state for a period not exceeding 180 days in any 12-month period. If the use exceeds 6 months, the use tax is based on the full market value of such equipment used here.

In addition, there are many public determinations (Washington Tax Decisions (WTDs)) that discuss the taxability of various construction activities. The laws, rules, WTDs and other publications are available on our Internet home page (<http://dor.wa.gov>) and through our Telephone Information Center at 1-800-647-7706.

### **REQUIREMENT TO OBTAIN CONTRACTORS' UBI NUMBERS**

The 1997 Legislature passed House Bill 1514 (Chapter 54, Laws of 1997) which requires all taxpayers to maintain a record of the Unified Business Identifier (UBI) account number of each contractor they hire to perform construction. For example, the law requires a general contractor to record the UBI number of all subcontractors. Taxpayers must keep record of the UBI numbers for at least five years. If a taxpayer fails to record the contractor's UBI number, the taxpayer will not be allowed to bid on a public works contract for two years. The taxpayer will also be subject to a penalty not to exceed \$250. The new law became effective July 27, 1997.

**IS RETAIL SALES  
TAX OR USE TAX  
DUE ON  
PURCHASES?**

The following chart indicates whether sales or use tax is due on purchases of materials and construction services:

IS SALES TAX OR USE TAX DUE . . .		
CONSTRUCTION CATEGORY	ON MATERIALS INCORPORATED INTO PROJECT	ON HIRED CONSTRUCTION CONTRACTORS
<b>Custom: Prime Contracting</b>	Tax Not Due	Tax Not Due
<b>Custom: Subcontracting</b>	Tax Not Due	Tax Not Due
<b>Speculative Building</b>	Tax Due	Tax Due: Contractors hired by speculative builders are prime contractors.
<b>Federal Government Contractors</b>	Tax Due	Tax Not Due: Contractors hired by federal government contractors are also federal government contractors.
<b>Public Road</b>	Tax Due	Tax Not Due: Subcontractors who place material on road are taxed as public road contractors.
<b>Logging Road</b>	Tax Due	Tax Not Due: Subcontractor is taxable as logging road contractor.
<b>Radioactive Waste Cleanup for U.S.</b>	Tax Due	Tax Not Due: Subcontractor is taxable under Radioactive Waste Cleanup classification.
<b>Environmental Remedial Actions</b>	Tax Due	Tax Not Due: Subcontractors who perform environmental remedial actions are taxed under the Environmental Remedial Action tax classification.



## CONTRACTOR'S TAX MATRIX

TYPE OF CONTRACTOR	B & O TAX	RETAIL SALES TAX	USE TAX/ DEFERRED SALES TAX
<b>Custom Contractor:</b> Performs work for others either as a prime contractor or a subcontractor. Does not own the real property.	Liable for tax under Retailing (prime), or Wholesaling (sub) B&O tax classification depending on the customer.	Sales tax collected and due on total contract price, if work is performed as a prime contractor.	Contractor pays sales/use tax on all items consumed (tools, equipment, supplies, etc.). Does not pay sales tax on materials which become a component part of building.
<b>Speculative Builder:</b> Constructs residential or commercial buildings on land he/she owns.	No B&O tax due on sale of property. Sale is subject to real estate excise tax.	Does not collect retail sales tax on the sale of the property.	Contractor must pay sales/use tax on all items consumed and all building materials used in improvements. Must pay sales tax on subcontractors' billings.
<b>Government Contractor:</b> Jobs other than road construction performed for the federal government. NOTE: COMMENTS APPLY WHETHER PRIME OR SUBCONTRACTOR.	Liable for tax under Government Contracting B&O tax classification on gross contract price.	No sales tax collected from the federal government.	Pays sales or use tax on all materials used, applied, or installed by contractor.
<b>Public Road Contractor:</b> Builds roads for cities, counties, and the federal government. Does not include roads built for Washington State. NOTE: COMMENTS APPLY WHETHER PRIME OR SUBCONTRACTOR.	Liable for tax under the Public Road Construction B&O tax classification on gross contract price. Liable for manufacturing or extracting tax on produced/extracted materials off-site.	Does not collect sales tax on roads for cities, counties, or federal government. Roads for Washington State are retail. Follow rules for custom prime contractor.	Contractor defined to be the consumer, and therefore pays sales/use tax on all materials used, applied, or installed by contractor.
<b>Logging Road Contractor:</b> Builds logging roads in conjunction with timber harvesting operations. NOTE: COMMENTS APPLY WHETHER PRIME OR SUBCONTRACTOR.	Liable for tax under the Extracting/Extracting for Hire tax classification. Liable for manufacturing or extracting tax on produced/extracted materials.	Does not collect sales tax on income from building logging roads.	Contractor is consumer and pays sales/use tax on all materials used, applied, or installed by contractor.
<b>Radioactive Waste Cleanup on Federal Lands</b>	Liable for B&O tax under the Cleanup of Radioactive Waste for U.S. Government classification.	Does not collect sales tax on income from this activity.	Contractor is consumer and pays sales/use tax on all materials used, applied, or installed by contractor.
<b>Environmental Remedial Actions:</b> Third party service provider must certify work will be done to standards.	Liable for B&O tax under the Environmental Remedial Action classification.	Does not collect sales tax on income from this activity.	Contractor is consumer and pays sales/use tax on all materials used, applied, or installed by contractor.

**LAWS AND RULES  
ON CONSTRUCTION  
ACTIVITIES**

The taxability of performing construction activities within the state of Washington is discussed in the following laws and rules:

**Revised Code of Washington References (RCW)**

64.04.010	Conveyances and encumbrances to be by deed
64.04.030	Warranty deed - Form and effect
64.04.040	Bargain and sale deed - Form and effect
64.04.050	Quitclaim deed - Form and effect
82.04.030	"Person," "Company"
82.04.050	"Sales at Retail," "Retail Sales"
82.04.055	"Selected Business Services"
82.04.190	Consumer
82.04.390	Exemptions - Amounts Derived From Sales of Real Estate
82.12.010	Definitions

**Washington Administrative Code References (WAC)**

WAC 458-20-107	Selling Price — Advertised prices including sales tax
WAC 458-20-110	Freight and Delivery Charges
WAC 458-20-112	Value of Products
WAC 458-20-135	Extracting Natural Products
WAC 458-20-170	Constructing and Repairing of New or Existing Building or other Structures upon Real Property
WAC 458-20-17001	Government Contracting — Construction, Installation or Improvements to Government Real Property
WAC 458-20-171	Building, Repairing or Improving Streets, Roads, etc.
WAC 458-20-172	Clearing Land, Moving Earth, Cleaning, Fumigating, Razing or Moving Existing Buildings & Janitorial Services
WAC 458-20-178	Use Tax

**LAWS AND RULES**

WAC 458-20-190	Sales to and by the U.S., its Departments, Institutions
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**ON CONSTRUCTION  
ACTIVITIES**  
CONTINUED . . .

	and Instrumentalities—Sales to Foreign Governments WAC 458-20-192	Indians—Indian Reservations
WAC 458-20-193	Inbound and Outbound Interstate Sales of Tangible Personal Property	
WAC 458-20-194	Doing Business Inside and Outside the State	
WAC 458-20-197	When Tax Liability Arises	
WAC 458-20-199	Accounting Methods	
WAC 458-20-211	Leases or Rentals of Tangible Property, Bailments	
WAC 458-20-223	Persons Performing Contracts on the Basis of Time and Material, or Cost-Plus-Fixed-Fee	

## SERVICES

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### ELECTRONIC FILING



Business owners can now file and pay their Washington State taxes directly over the Internet. Electronic Filing (ELF) is an easy-to-use, intuitive system that walks taxpayers through the return process, calculates taxes automatically, flags errors and omissions, and provides instant online access to the latest tax information. ELF is a secure system protected by sophisticated encryption and passwords. It allows you to customize your tax return and delivers an electronic confirmation message when it's received. Filing taxes with ELF takes less than 10 minutes and best of all, it's free. To learn more about Electronic Filing (ELF) and to see if you qualify, visit the Department's web site at <http://dor.wa.gov> or call toll-free 1-877-FILE-ELF.

### TELEPHONE ASSISTANCE



#### ***Telephone Information Center: Toll Free — 1-800-647-7706***

With its state-of-the-art telephone system, the Telephone Information Center offers a variety of personal and 24-hour automated services to both Touch Tone™ and rotary dial callers.

The Center's Taxpayer Information Specialists provide assistance in registering businesses, completing tax returns, and responding to general questions. Specialists are generally available to answer questions Monday through Friday, 7:30 a.m. to 5:00 p.m.

Persons who do not need to speak with a specialist may use the Center's automated features to change an address, close an account, clear a delinquent notice, or request a publication, tax form, or Master Application.

Information about the Telephone Information Center is also available on the Internet at <http://dor.wa.gov/tic.htm>.

#### ***Fast Fax: Toll Free — 1-800-647-7706***

*Fast Fax*, the Telephone Information Center's fax on demand service, provides 24-hour access to a variety of the Department's forms and publications. To receive a fax listing forms and publications available via *Fast Fax*, use code 500.

**TELEPHONE  
ASSISTANCE**  
CONTINUED . . .

***Tax Express:***  
***Toll-free 1-800-334-8969***

For Touch Tone™ callers, *Tax Express* provides prerecorded information on a variety of tax-related topics 24-hours a day. Accessing the messages requires use of a three-digit code. A menu for *Tax Express* appears in “Additional Reference Materials” chapter. Internet users may also access the menu on the Internet at **<http://dor.wa.gov/ser/taxexpres.htm>**.

**WRITTEN RULINGS**

Taxpayer Information Specialists in the Department’s Taxpayer Information and Education Section respond to written inquiries for tax information. Unlike oral advice, written advice is binding on the Department providing the taxpayer’s name and all pertinent facts are disclosed. Inquiries may be sent to:

Taxpayer Services  
Washington State Department of Revenue  
Post Office Box 47478  
Olympia, Washington 98504-7478

**EXCISE TAX  
MAINTENANCE  
SERVICE**

Persons who subscribe to the Department’s Excise Tax Maintenance Service receive notices of proposed rule changes, new and amended rules, and Excise Tax Advisories (ETA).

To subscribe to the Excise Tax Maintenance Service, call the Department’s Telephone Information Center at 1-800-647-7706.

**WASHINGTON TAX  
DECISIONS —  
PUBLISHED  
DETERMINATIONS**

Appeals, the Department’s appellate division, routinely hears and provides written decisions on appeals of excise tax assessments and petitions for refund. The decisions, referred to as determinations, are confidential. Only the taxpayer for whom it is written may rely on the information contained in a determination. Some determinations, however, are published after information identifying the taxpayer is removed.

**WASHINGTON TAX  
DECISIONS —  
PUBLISHED  
DETERMINATIONS**  
CONTINUED . . .

Published determinations have precedential value and may be relied upon by the Department and all taxpayers. When deciding whether to publish a determination, the Department considers whether:

- The issue under appeal is a matter of first impression;
- There has been a change in the statute or rules since a similar issue was decided;
- There are distinguishable fact patterns between the current appeal and a previously published determination on a similar issue;
- There is a recent court decision concerning the issue on appeal; and
- The length of time since the last published determination was issued on a similar issue.

Published determinations are referred to as *Washington Tax Decisions*. The Department publishes *Washington Tax Decisions* annually in two parts. The decisions are available electronically using Taxpedia at **<http://taxpedia.dor.wa.gov>**.

**INTERNET**

Internet users can access Washington State tax information via the Department of Revenue's web site. Users can access the Department's newsletters, fact sheets, brochures, forms, press releases, rules and laws, published determinations, state business records and unclaimed property databases, research reports, and more.

The Department of Revenue's Internet address is: **<http://dor.wa.gov>**.

Other Washington State agencies also provide information via the Internet. For information about employer taxes, see the following sites:

Washington State Employment Security Department  
**<http://www.wa.gov/esd>**

Washington State Department of Labor and Industries  
**<http://www.wa.gov/lni>**

**INTERNET**  
CONTINUED . . .

For general business licensing information, see the following site:

Washington State Department of Licensing  
**<http://www.wa.gov/dol/bpd/buslic.htm>**

For information about corporations, trademarks, and limited partnerships, see the following site:

Washington State Office of the Secretary of State  
**<http://www.secstate.wa.gov>**

For a master index of state resources, see the following site:

Access Washington  
**<http://access.wa.gov/>**

**SPEAKER'S BUREAU**

The Speaker's Bureau program provides speakers on a variety of tax issues for businesses and organizations. To reserve a speaker, call the Speaker's Bureau Coordinator at (360) 486-2111.

**TAXPAYER RIGHTS  
ADVOCATE**

The Department of Revenue's Taxpayer Rights Advocate provides assistance in understanding and accessing taxpayer rights in working with the Department of Revenue. The number for the advocate is (360) 486-2340.

## **ADDITIONAL SERVICES**

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**TRADE NAME  
REGISTRATION**

Contact the Department of Licensing at (360) 664-1400.

**INCORPORATION OR  
TRADEMARK  
REGISTRATION**

Contact the Secretary of State at (360) 753-7115.

**COPIES OF  
PUBLICATIONS,  
LAWS AND RULES**

Please contact your local field office or the Telephone Information Center at 1-800-647-7706.

**RESEARCH  
STATISTICS**

For copies of research publications, data on tax collections, tax-related statistics on business activity by industry and geographical area, and other statistical information about the state's tax structure, contact the Research Division at (360) 570-6070.

**TAX  
CONSULTATION  
VISITS**

The Department of Revenue now offers a free tax consultation service. At your request, a Revenue staff member will meet with you to explain how state taxes apply to your specific business activities. This service is strictly voluntary and is intended to be brief, taking about two hours.

When you schedule a free consultation visit, a Revenue representative will meet with you to review your business procedures, offer helpful tips to improve your accounting records (if desired), and answer any questions you may have concerning your business and state taxes.

A consultation visit is **not** an audit of your records and **will not** identify any tax deficiencies or overpayments. In order to receive accurate reporting information and instructions, you will need to provide records of your business operations as well as a list of the types of sales and services your business offers.

If you are interested in a tax consultation visit, please call our Telephone Information Center at 1-800-647-7706 to request a pre-consultation questionnaire be mailed or faxed to you. After you complete the questionnaire, return it to the nearest Department of Revenue field office and you will be contacted to schedule a consultation visit.



<b>VOLUNTARY FIRST-YEAR AUDITS FOR NEW BUSINESSES</b>	If you incorrectly report your taxes, an assessment covering four years of tax liability can be an unwelcome surprise. To help you minimize these surprises, the Department offers first-year audits to new businesses. You must have been in business for at least six months to accumulate sufficient transactions and records for a useful audit. To arrange for your first-year audit, please contact the local field office nearest you.
<b>SPECIAL LANGUAGE NEEDS</b>	To request assistance for the visually impaired, hearing impaired or limited English-speaking, contact the Revenue office nearest you. To inquire about a language interpreter, call (360) 486-2342.
<b>SPECIFIC TAXES AND PROGRAMS</b>	<p><b>Brokered natural gas tax:</b> Special Programs Division, (360) 902-7063.</p> <p><b>Business and occupation tax:</b> Call your local field office or Telephone Information Center.</p> <p><b>Business tax credits and sales tax deferrals:</b> Special Programs Division, (360) 664-2016.</p> <p><b>Cigarette tax:</b> Special Programs Division, (360) 664-0700.</p> <p><b>Corporate withdrawals or dissolutions:</b> Audit Division, (360) 570-5963.</p> <p><b>Electronic Funds Transfer program:</b> Taxpayer Account Administration, (360) 902-7079.</p> <p><b>Enhanced food/fish tax:</b> Special Programs Division, (360) 902-7128.</p> <p><b>Escheats:</b> For assistance in administering estates with no heirs, call the Special Programs Division at (360) 753-5547.</p> <p><b>Estate tax:</b> Special Programs Division, (360) 753-5547.</p> <p><b>Excise tax status letters:</b> Taxpayer Account Administration, (360) 902-7145.</p> <p><b>Excise tax refunds:</b> Taxpayer Account Administration, (360) 902-7151.</p>

**SPECIFIC TAXES  
AND PROGRAMS**

CONTINUED. . .

**Forest excise tax:** For taxpayer registration, reporting information, publication requests or general information, call the Special Programs Division at 1-800-548-8829.

**Hotel/motel special excise tax:** Taxpayer Account Administration, (360) 902-7063.

**Leasehold excise tax:** Special Programs Division, (360) 586-5190.

**Property tax education and advisory services:**

- Seminars and training for county personnel, (360) 570-5865;
- County Board of Equalization information and levy calculations, (360) 570-5864;
- County revaluation programs, (360) 570-5862; and
- Taxing districts and code area boundaries and maps, (360) 570-5893.

**Property tax exemptions:**

- Nonprofit organizations applying for exemptions, (360) 570-5871;
- Senior citizens/disabled homeowners exemption and deferral, (360) 570-5867; and
- Classified and designated timber land, and all other current use programs, (360) 570-5865.

**Property tax general information:** To request copies of property tax publications or for other general information, call (360) 570-5900 or visit our web site. For information regarding a specific property tax assessment, please contact your county assessor.

**Property tax vessel valuation:** For information on watercraft valuation and boat personal property tax and valuation, call (360) 753-1520.

**Real estate excise tax refunds:** For information regarding refunds of the real estate excise tax, contact the Special Programs Division at (360) 664-2201. For information on the real estate excise tax itself, please contact the county treasurer's office where the property is located.

**SPECIFIC TAXES  
AND PROGRAMS**

CONTINUED. . .

**Retainage fees:** For release of retainage fees on completed public construction projects, call the Audit Division at (360) 570-7799.

**State and local retail sales tax:** Call your local field office or Telephone Information Center.

**Tax appeal questions:** For all questions related to appeals with the Department, call the Appeals Division at (360) 570-6140.



**Unclaimed property:** For information on abandoned wages, stock dividends and deposits, please call 1-800-435-2429 or (360) 586-2736.

**Use tax:** Call your local field office or the Telephone Information Center.

# On the Web

<http://dor.wa.gov>

Look for this new section in every edition of ***Tax Facts*** to learn more about the information and services available on the Department of Revenue's web site.

What's New	Public Records Database	Careers	GIS
Looking for the latest information? Click on "What's New." You'll find everything that's been posted to the site within the last 30 days.	Looking for the name, address, or tax account number for a particular business? On our <b>Public Records Database</b> you'll find this information and more. 	Interested in joining the Department of Revenue team? Click on "Careers" to find job listings, benefit information, and application forms.	Confused by all the different sales tax rates in Washington? Use our <b>Tax Rate Maps &amp; Lookup Tools</b> to find the appropriate sales tax rate for any location in Washington. These useful tools are created and updated quarterly using <b>Geographical Information System (GIS)</b> technology. 

## Need Assistance?



Access Online Information & Services  
24 hours a day/7 days a week

Visit **<http://dor.wa.gov>** to get information on:

- ◆ Contacting Us
  - ◆ Phone Numbers, office locations, and more
- ◆ News Releases
- ◆ Career Opportunities
- ◆ Forms
- ◆ Publications
- ◆ Rules & Laws
- ◆ Statistical Reports
- ◆ DOR Services
- ◆ Tax Topics


Use our Automated Telephone Services: 1-800-647-7706

- ◆ File a "no business activity" tax return
- ◆ Update or close your account
- ◆ Order publications, forms, rules and laws
- ◆ Request documents via *Fast Fax*
- ◆ Listen to prerecorded tax information on *Tax Express*

### Need to speak to a real person?

- ◆ Call the Telephone Information Center at 1-800-647-7706, Monday, Tuesday, Thursday and Friday, 7:30 a.m. to 5:00 p.m.; Wednesdays, 9:00 a.m. to 5:00 p.m.
- ◆ For local office assistance, check your local telephone listing or our web site for the address and phone number of the DOR office nearest you.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users, please call 1-800-451-7985.

Prepared by the Taxpayer Services Division  
 Printed on recycled paper

# Publications Order Form

The Department of Revenue offers numerous publications covering a wide range of topics. These publications are available upon request by calling the Telephone Information Center at (800) 647-7706, by contacting your local Revenue office, or by completing this form and mailing it to: Department of Revenue, Taxpayer Services Division, PO Box 47478, Olympia, WA 98504-7478. Many of these publications are also available on the Department's Internet web site at <http://dor.wa.gov>.



## QUANTITY PUBLICATION

\_\_\_\_\_ Active Nonreporting Business  
 \_\_\_\_\_ Aircraft Taxes  
 \_\_\_\_\_ Audit Process  
 \_\_\_\_\_ Auto Dealers Manual  
 \_\_\_\_\_ Beauticians Guide  
 \_\_\_\_\_ Below Minimum  
 \_\_\_\_\_ Business and Occupation Tax  
 \_\_\_\_\_ Business Tax Guide  
 \_\_\_\_\_ Business Tax Overview  
 \_\_\_\_\_ Child Care Operators  
 \_\_\_\_\_ Cigarette Tax  
 \_\_\_\_\_ Construction Tax Guide  
 \_\_\_\_\_ Deferrals, Exemptions and Credits  
 \_\_\_\_\_ *Manufacturer's Sales/Use Tax Exemption*  
 \_\_\_\_\_ *Distressed Areas Sales/Use Tax*  
     *Deferral Program*  
 \_\_\_\_\_ *Distressed Area Business and Occupation*  
     *Tax Credit for New Employees*  
 \_\_\_\_\_ *High Technology Sales/Use Tax Deferral*  
 \_\_\_\_\_ *High Technology Business and Occupation*  
     *Tax Credit*  
 \_\_\_\_\_ Electronic Filing  
 \_\_\_\_\_ Electronic Funds Transfer  
 \_\_\_\_\_ Fast Fax  
 \_\_\_\_\_ Fish Tax  
 \_\_\_\_\_ Homeowner's Guide to Property Tax  
 \_\_\_\_\_ Horse Industry Tip Sheet  
 \_\_\_\_\_ How to Amend Your Combined  
     Excise Tax Return  
 \_\_\_\_\_ Leasehold Excise Tax  
 \_\_\_\_\_ Nonprofit Organizations

\_\_\_\_\_ Notice to all Auto Repair Facilities  
 \_\_\_\_\_ Outline of Major Taxes  
 \_\_\_\_\_ Personal Property Tax  
 \_\_\_\_\_ Property Tax Deferrals for Senior  
     Citizens and Disabled Persons  
 \_\_\_\_\_ Property Tax Exemptions for Senior  
     Citizens and Disabled Persons  
 \_\_\_\_\_ Resale Certificate  
 \_\_\_\_\_ Restaurant Guide  
 \_\_\_\_\_ Retail Sales Tax  
 \_\_\_\_\_ Service Directory  
 \_\_\_\_\_ Solutions to Common Reporting Errors  
 \_\_\_\_\_ Tavern Guide  
 \_\_\_\_\_ Tax Consultation Service  
 \_\_\_\_\_ Taxpayer Rights and Responsibilities  
 \_\_\_\_\_ Tax Return Information and Local Sales and  
     Use Tax Changes Flyer  
 \_\_\_\_\_ Tax, Title and Registration of Boats  
 \_\_\_\_\_ Temporary Business Registration  
 \_\_\_\_\_ Unclaimed Property  
 \_\_\_\_\_ Use Tax  
 \_\_\_\_\_ Veterinarians Guide

## OTHER:

\_\_\_\_\_ Excise Tax Advisories (ETA) \_\_\_\_\_  
     identify by number  
 \_\_\_\_\_ Numerical listing and titles of ETAs  
 \_\_\_\_\_ Special Notice \_\_\_\_\_  
     identify by title and date  
 \_\_\_\_\_ WAC (Rule) \_\_\_\_\_  
     identify by number  
 \_\_\_\_\_ Washington Tax Facts \_\_\_\_\_  
     identify by date

## PLEASE SEND PUBLICATION(S) TO:

Contact Person: \_\_\_\_\_

Business Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_



MAIL TO: State of Washington  
Department of Revenue  
PO Box 34051  
Seattle, WA 98124-1051

# APRIL 2002 COMBINED EXCISE TAX RETURN

04  
02

☐ **ONLY** Fill in Box if Amended Return Information Attached

NAME \_\_\_\_\_ REG NO. \_\_\_\_\_

FIRM NAME \_\_\_\_\_

STREET ADDRESS \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

Address Changes? ☐ business location ☐ mailing address ☐ both Business closed? ☐ Date closed \_\_\_\_/\_\_\_\_/\_\_\_\_ See note section, pg 2

Please fill in the appropriate box and make address changes to the above label.

## I STATE BUSINESS AND OCCUPATION TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 3 & 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
1	Extracting, Extracting for Hire	16				.00484	
2	Slaughter, Break Proc, Perish Meat- Whlse; Mfg Wheat into Flour; Raw Seafood; Soybean & Canola Proc	30				.00138	
3	Travel Agent Com/Tour Operators; Intl Charter Freight Brokers; Stevedoring	28				.00275	
4	Insurance Agents; Insurance Brokers Commis	14				.00484	
5	Manuf Fresh Fruit and Veg; Split or Proc Dried Peas; Prescription Drug Warehousing; Mfg Dairy Products	21				.00138	
6	Processing for Hire; Printing and Publishing	10				.00484	
7	Manufacturing	07				.00484	
8	Royalties; Child Care	80				.00484	
9	Wholesaling	03				.00484	
10	Warehousing; Radio & TV Broadcasting; Public Road Construction; Government Contracting	11				.00484	
11	Public or Nonprofit Hospitals	55				.015	
12	Cleanup of Radioactive Waste for US Gov't; Environmental Remedial Action	83				.00471	
13	Service & Other Activities	04				.015	
14	Retailing of Interstate Transportation Equip	19				.00484	
15	Retailing	02				.00471	
GROSS AMOUNTS FOR RETAILING AND RETAIL SALES MUST BE THE SAME							TOTAL B&O TAX

\* Deductions taken but not itemized on pages 3 and 4 will be disallowed.

## II STATE SALES AND USE TAX

16	Retail Sales (also complete local tax section III)	01				.065	
17	Use Tax (also complete local tax section III)	05		Value of articles used by taxpayer as a consumer on which no Washington sales tax has been paid		.065	

TOTAL STATE SALES & USE TAX

## III LOCAL CITY AND/OR COUNTY SALES AND USE TAX

Local Sales Tax (Enter applicable rate of tax)				Code 45
Total Taxable Amount must be the same as line 16, column 3, Taxable Amount				
Line No.	Location Code	Taxable Amount	Local Rate	Tax Due City or Co.
18				
19				
20				
21				
22				
TOTAL TAXABLE			TOTAL	

Local Use Tax (Enter applicable rate of tax)				Code 46
Total Value of Articles must be the same as line 17, column 1, Gross Amount				
Line No.	Location Code	Value of Articles	Local Rate	Tax Due City or Co.
23				
24				
25				
TOTAL VALUE OF ARTICLES			TOTAL	

Line No.	Tax Classification	Code	Taxable Amount	Rate	Tax Due
26	Region Transit Authority (RTA)	89		.004	
27	King County Food & Bev	90		.005	
28	Litter Tax	36		.00015	

MAY 2002						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

25

**DUE DATE: MAY 25, 2002**

★ 5 % Penalty Assessed After May 28, 2002

10% Penalty Assessed After July 1, 2002

20% Penalty Assessed After July 31, 2002

If the due date falls on a weekend or legal holiday, the due date is extended to the next business day.

▶ Please fill in this box if you had no business activity. ☐ (see note section, page 2)

▶ This return must be mailed, unless filed electronically.

▶ Please make check or money order payable to the Washington State Department of Revenue. Do not send cash or coins.

▶ For assistance, call (800) 647-7706.

▶ Signature \_\_\_\_\_

▶ Ph. ( ) \_\_\_\_\_ Date \_\_\_\_\_

Line No.	Item	VIII TOTALS
29	Total All Tax Due from page 1	
30	Total All Tax Due from page 2	
31	Rental Car Tax (attach Rental Car Tax Addendum)	
32	Subtotal (add lines 29-31)	
33	Credit (from page 2, section VII, total credit)	
34	Subtotal (subtract line 33 from line 32)	
35	Add Penalty, if applicable ★	Minimum \$5.00
36	Interest	

TOTAL AMOUNT OWED (add lines 34 - 36)



## IV LODGING TAXES

TRANSIENT RENTAL INCOME INFORMATION (enter location code and income only) Code 47						
Line No.	Location Code	Income	Location Code	Income	Location Code	Income
37						
38						

CONVENTION AND TRADE CENTER TAX Code 48				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
39				
40				
41				
TOTAL CONVENTION & TRADE CENTER TAX				

SPECIAL HOTEL/MOTEL TAX Code 70				
Line No.	Location Code	Taxable Amount	Rate	Tax Due
42				
43				
44				
TOTAL SPECIAL HOTEL/MOTEL TAX				

## V STATE PUBLIC UTILITY TAX

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 4	Column 3** Taxable Amount	Col. 4 Rate	Column 5 Tax Due
45	Water Distribution	60				.05029	
46	Sewer Collection	61				.03852	
47	Power	49				.03873	
48	Gas Distribution; Telegraph	26				.03852	
49	Motor Transportation; Railroad; Railroad Car	08				.01926	
50	Urban Transportation; Vessels Under 65 ft	12				.00642	
51	Other Public Service Business	13				.01926	

\*\* If taxable amounts on lines 45-51 column 3 total less than \$2,000, no Public Utility Tax is due.

TOTAL STATE PUBLIC UTILITY TAX

## VI OTHER TAXES

Line No.	Tax Classification	Code	Column 1 Gross Amount	Col. 2 Deductions* Totals from Pg. 4	Column 3 Taxable Amount	Col. 4 Rate	Column 5 Tax Due
52	Tobacco Products	20				1.2942	
53	Refuse Collection	64				.036	
54	Petroleum Tax	57	Temporarily Not Due - Fund Limit Reached			.005	
55	Hazardous Substance	65				.007	
56	Intermediate Care Facilities for the Mentally Retarded (IMR)	79				.06	

\* Deductions taken but not itemized on page 4 will be disallowed.

Line No.	Tax Classification	Code	Item	Quantity Sold	Rate	Tax Due
57	Solid Fuel Burning Device Fee	59	Number of Stoves, Fireplaces, & Solid Fuel Burning Devices:		\$30.00	
58	Syrup Tax	54	Number of Gallons (whole numbers only):		\$1.00	
59	State Enhanced 911 Tax	93	Number of Taxable Switched Access Lines:		.20	

TOTAL OTHER TAXES

(Add lines 52-59)

### PLEASE NOTE:

If you do not have deductions, *do not return pages 3 and 4.*  
If you have deductions, complete and *return pages 3 and 4.*

#### NEED HELP?

**Internet Assistance** – Go to DOR's home page at <http://dor.wa.gov>

- Click on **FORMS** to access forms including the Local City and/or County Sales and Use Tax Supplement, and other tax-related forms.
- Under **Tax Topics**, click on **BUSINESS** for answers to frequently asked questions and business closure information. The **Business Tax Guide** link provides tax return information and instructions, and the **Filing Your Tax Return** link provides penalty waiver information.
- To update your account information or to close your account with the Department of Revenue, click on **DOR SERVICES**, then **Business Information Update**.

#### Telephone Assistance

- Call the Department of Revenue office nearest you or (800) 647-7706.
- To file a No Business Activity return by telephone, call (800) 647-7706. Enter code 111 and follow these steps: 1) Enter your 9-digit registration number; 2) Verify the number entered; 3) Enter 3; 4) Respond to pre-recorded questions to file your return over the telephone. Do not mail paper return back to the department.
- For penalty waiver criteria information, call (800) 334-8969 and enter code 429.
- For business closure information, call (800) 334-8969 and enter code 430.

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 486-2342. Teletype (TTY) users may call (800) 451-7985.

REV 40 2406 APR/02 (2-27-02)

## VII CREDITS

Line No.	Credit Classification	Credit I.D.	Amount
60	Multiple Activities Tax Credit (attach Schedule C)	800	
61	High Technology Credit (attach Research & Development Credit Affidavit)	830	
62	Manufacturing Software; Programming Rural Employment B&O Credit	860	
63	Help Desk Services B&O Credit	865	
64	Alternatives to Field Burning B&O Credit	875	
65	International Services Credit	855	
66	Small Business B&O Tax Credit (see table enclosed)	815	
67	Electric Utility Rural Economic Development Revolving Fund Public Utility Tax Credit	870	
68	Bad Debt Tax Credit (attach Schedule B)	801	
69	Hazardous Substance	805	
70	Public Utility Tax Credit for Billing Discounts/Qualified Contributions to a Low Income Home Energy Assistance Fund	880	
71	Other Credits (attach appropriate documents)	810	

TOTAL CREDIT (transfer to page 1, line 33)

# **APRIL 2002** **DEDUCTION DETAIL**

**04**

**02**

- Deductions taken on the Combined Excise Tax Return, but not itemized on this form will be disallowed.
- Report deductions under the heading that corresponds to your reporting activity.
- Transfer the total amount of each deduction from this form to the corresponding tax classification on your return in the deduction column.

***If Completing, Fill out Name, Registration Number and Attach to Combined Excise Tax Return.***

▶ Name _____		▶ Registration No. _____ – _____ – _____	
--------------	--	------------------------------------------	--

Line 1 - Extracting, Extracting for Hire	I.D.	Amount
Bad Debts	1601	
Cash & Trade Discounts	1602	
Other (Explain):	1699	
<b>TOTAL</b>		

Line 2 - Slaughter, Break Processing...	I.D.	Amount
Bad Debts	3001	
Cash & Trade Discounts	3002	
Other (Explain):	3099	
<b>TOTAL</b>		

Line 3 - Travel Agent Com; Intl Charter...	I.D.	Amount
Bad Debts	2801	
Cash & Trade Discounts	2802	
Other (Explain):	2899	
<b>TOTAL</b>		

Line 4 - Insurance Agents; Insurance...	I.D.	Amount
Bad Debts	1401	
Other (Explain):	1499	
<b>TOTAL</b>		

Line 5 - Manufacturing Fresh Fruits and...	I.D.	Amount
Bad Debts	2101	
Cash & Trade Discounts	2102	
Freight	2103	
Interstate & Foreign Sales (Use for Prescription Drug Warehousing Only)	2104	
Advances Reimbursements; Rtrns & Allowances	2107	
Other (Explain):	2199	
<b>TOTAL</b>		

Line 6 - Processing for Hire; Printing and...	I.D.	Amount
Bad Debts	1001	
Cash & Trade Discounts	1002	
Freight	1003	
Advances Reimbursements; Rtrns & Allowances	1007	
Other (Explain):	1099	
<b>TOTAL</b>		

Line 7 - Manufacturing	I.D.	Amount
Bad Debts	0701	
Cash & Trade Discounts	0702	
Freight	0703	
Advances Reimbursements; Rtrns & Allowances	0707	
Other (Explain):	0799	
<b>TOTAL</b>		

Line 8 - Royalties; Child Care	I.D.	Amount
Bad Debts	8001	
Cash & Trade Discounts	8002	
Advances Reimbursements; Rtrns & Allowances	8007	
Other (Explain):	8099	
<b>TOTAL</b>		

Line 9 - Wholesaling	I.D.	Amount
Bad Debts	0301	
Cash & Trade Discounts	0302	
Interstate & Foreign Sales	0304	
Motor Vehicle Fuel Tax	0305	
Casual Sales; Accommodation Sales	0306	
Advances Reimbursements; Rtrns & Allowances	0307	
No Local Activity	0308	
Other (Explain):	0399	
<b>TOTAL</b>		

Line 10 - Warehousing; Radio & TV...	I.D.	Amount
Bad Debts	1101	
Cash & Trade Discounts	1102	
Interstate & Foreign Sales	1104	
Advances Reimbursements; Rtrns & Allowances	1107	
Radio/TV Advertising	1109	
Other (Explain):	1199	
<b>TOTAL</b>		

Line 11 - Public or Nonprofit Hospitals	I.D.	Amount
Bad Debts	5501	
Cash & Trade Discounts	5502	
Advances Reimbursements; Rtrns & Allowances	5507	
Other (Explain):	5599	
<b>TOTAL</b>		

Line 12 - Cleanup of Radioactive Waste...	I.D.	Amount
Bad Debts	8301	
Cash & Trade Discounts	8302	
Interstate & Foreign Sales	8304	
Advances Reimbursements; Rtrns & Allowances	8307	
Other (Explain):	8399	
<b>TOTAL</b>		

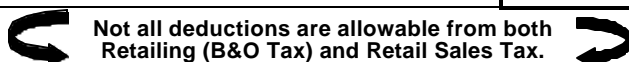
Line 13 - Service & Other Activities	I.D.	Amount
Bad Debts	0401	
Cash & Trade Discounts	0402	
Interstate & Foreign Sales	0404	
Advances Reimbursements; Rtrns & Allowances	0407	
Gambling; Prize; Cash Pay-Outs	0410	
Certain Initiation Fees; Dues; Contributions	0411	
Interest on Certain Invest/Loan/Obligations	0412	
Artistic/Cultural Activities	0416	
Other (Explain):	0499	
<b>TOTAL</b>		

Line 14 - Retailing of Interstate Transport...	I.D.	Amount
Bad Debts	1901	
Cash & Trade Discounts	1902	
Interstate & Foreign Sales	1904	
Advances Reimbursements; Rtrns & Allowances	1907	
Consignment Sales	1915	
Other (Explain):	1999	
<b>TOTAL</b>		



Line 15 – Retailing (B&O)	I.D.	Amount
Bad Debts	0201	
Cash & Trade Discounts	0202	
Interstate & Foreign Sales	0204	
Motor Vehicle Fuel Tax	0205	
Advances Reimbursements; Rtrns & Allowances	0207	
No Local Activity	0208	
Casual Sales; Accommodation Sales	0213	
Tax in Gross	0214	
Consignment Sales	0215	
Artistic/Cultural Activities	0216	
Presc. Drugs Sold by Pub. Oper/Nonprofit Hospitals	0217	
Other (Explain):	0299	
<b>TOTAL</b>		



**Not all deductions are allowable from both  
Retailing (B&O Tax) and Retail Sales Tax.**

Line 16 - Retail Sales Tax	I.D.	Amount
Bad Debts	0101	
Cash & Trade Discounts	0102	
Interstate & Foreign Sales	0104	
Tax in Gross	0114	
Sales to U.S. Government	0118	
Motor Vehicle Fuel Sales	0119	
Prescription Drugs/Hearing Aids/Lenses/etc	0121	
Exempt Food Sales	0122	
Qualified Nonresident Sales	0123	
Trade-in Allowance	0124	
Newspapers	0125	
Certain Network Telephone Service	0126	
Sales to Indians with Delivery on the Reservation	0128	
Sales of Feed to Fish Farmers	0129	
Taxable Amount for Tax Paid at Source	0130	
Returns & Allowances	0131	
Sales to Nonprofit Organizations of Artistic/Cultural Art Objects for Displays	0132	
Ride-Sharing Vans	0134	
Purebred Livestock for Breeding	0135	
Tax Deferral/Investment Certificate No. _____	0136	
Sale of Manufacturing Mach/Equip; Install Labor	0156	
Direct Pay Permits	0170	
Other (Explain):	0199	
<b>TOTAL</b>		

Line 45 - Water Distribution	I.D.	Amount
Bad Debts	6001	
Cash & Trade Discounts	6002	
Interstate & Foreign Sales	6004	
Amounts Paid to Another for Services Jointly Provided	6039	
Amounts Received by Nonprofit Water Association for Capital Projects	6040	
Amounts Derived From Distribution of Water Through Irrigation Systems	6041	
Conservation Expenditures	6057	
Reclaimed Water	6058	
Other (Explain):	6099	
<b>TOTAL</b>		

Line 46 - Sewer Collection	I.D.	Amount
Bad Debts	6101	
Cash & Trade Discounts	6102	
Amounts Paid to Another for Services Jointly Provided	6139	
Other (Explain):	6199	
<b>TOTAL</b>		

Line 47 – Power	I.D.	Amount
Bad Debts	4901	
Cash & Trade Discounts	4902	
Interstate & Foreign Sales	4904	
Amounts Paid to Another for Services Jointly Provided	4939	
Amounts Expnd. to Improve Consumer's Efficiency of Energy	4942	
Low Density/Wholesale Power Costs	4947	
Other (Explain):	4999	
<b>TOTAL</b>		

Line 48 - Gas Distribution; Telegraph	I.D.	Amount
Bad Debts	2601	
Cash & Trade Discounts	2602	
Interstate & Foreign Sales	2604	
Amounts Paid to Another for Services Jointly Provided	2639	
Other (Explain):	2699	
<b>TOTAL</b>		

Line 49 - Motor Transportation; Railroad...	I.D.	Amount
Bad Debts	0801	
Cash & Trade Discounts	0802	
Interstate & Foreign Sales	0804	
Amounts Paid to Another for Services Jointly Provided	0839	
Other (Explain):	0899	
<b>TOTAL</b>		

Line 50 - Urban Transportation; Vessels...	I.D.	Amount
Bad Debts	1201	
Cash & Trade Discounts	1202	
Interstate & Foreign Sales	1204	
Amounts Paid to Another for Services Jointly Provided	1239	
Other (Explain):	1299	
<b>TOTAL</b>		

Line 51 - Other Public Service Business	I.D.	Amount
Bad Debts	1301	
Cash & Trade Discounts	1302	
Interstate & Foreign Sales	1304	
Amounts Paid to Another for Services Jointly Provided	1339	
Other (Explain):	1399	
<b>TOTAL</b>		

Line 52 - Tobacco Products	I.D.	Amount
Interstate & Foreign Sales	2004	
Sales to U.S. Government	2018	
Returned/Destroyed Goods	2043	
Other (Explain):	2099	
<b>TOTAL</b>		

Line 53 - Refuse Collection	I.D.	Amount
Bad Debts	6401	
Sales to U.S. Government	6418	
Sales to Other Refuse/Solid Waste Collectors	6445	
Other (Explain):	6499	
<b>TOTAL</b>		

Line 54 - Petroleum Tax	I.D.	Amount
Petroleum Products Exported Out of State	5746	
Other (Explain):	5799	
<b>TOTAL</b>		

Line 55 - Hazardous Substance	I.D.	Amount
Other (Explain):	6599	
<b>TOTAL</b>		



## RESALE CERTIFICATE

1. Name of Seller: \_\_\_\_\_
2. Name of Buyer/Business: \_\_\_\_\_
3. Address of Buyer: \_\_\_\_\_  
Street City, State Zip Code
4. Buyer's UBI/Revenue Registration Number: \_\_\_\_\_
5. Buyer is in the business of: \_\_\_\_\_
6. Types of items purchased for resale: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*The buyer certifies that it is purchasing the items listed on line 6 (please check appropriate box):*

- ☐ *for resale in the regular course of business without intervening use.*
- ☐ *for use as an ingredient or component part of a new article of tangible personal property to be produced for sale,*
- ☐ *as a chemical to be used in processing a new article of tangible personal property to be produced for sale, or*
- ☐ *for use as feed, seed, seedlings, fertilizer, or spray materials in its capacity as a farmer.*

*The buyer acknowledges that it is solely responsible for purchasing within the categories listed on line 6. The buyer acknowledges that misuse of the resale privilege subjects the buyer to a **penalty of 50 percent of the tax due**, in addition to the tax, interest, and any other penalties imposed by law.*

Print Name: \_\_\_\_\_  
Name of Person Authorized By the Buyer to Sign the Resale Certificate

Signature: \_\_\_\_\_  
Signature of Authorized Agent of the Buyer

Effective Date: \_\_\_\_\_ through \_\_\_\_\_  
(Not To Exceed 4 Years)

Date Signed: \_\_\_\_\_

Seller must maintain a copy. ***Please do not send to Department of Revenue.***  
Reference Rule and Statute (RCW 82.08.130 and WAC 458.20.102)



State of Washington  
Department of Revenue  
Taxpayer Services Division  
PO Box 47478  
Olympia, WA 98504-7478

**DEPARTMENT OF REVENUE  
TAX INQUIRY STATEMENT**

Please use this form to request a written response to your tax inquiry.

Date: \_\_\_\_\_ Year: \_\_\_\_\_

1. My name is: \_\_\_\_\_

Business Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Phone: (\_\_\_\_) \_\_\_\_\_ Registration: \_\_\_\_\_

Office Visited: \_\_\_\_\_

2. My question is (give detailed information about your request. If more space is needed, please attach additional sheets to this form).

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You may leave this form with a Department of Revenue employee or mail it to the address below:

Taxpayer Services  
PO Box 47478  
Olympia, WA 98504-7478

You can expect a reply within 10 working days of receipt.

For tax assistance, visit <http://dor.wa.gov> or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985.



Poor					Excellent
1	2	3	4	5	

Poor					Excellent
1	2	3	4	5	

Bookkeeper	Tax Consultant	Business Owner	Project Manager
Accounts payable/receivable personnel		Other	

---

0% 20% 40% 60% 80% 100%

Yes No

Yes No

☐ Department of Revenue's web site      ☐ Association newsletter

☐ Plan Center/Business Info. Center      ☐ Other

**Please use the back of this form for additional comments.**

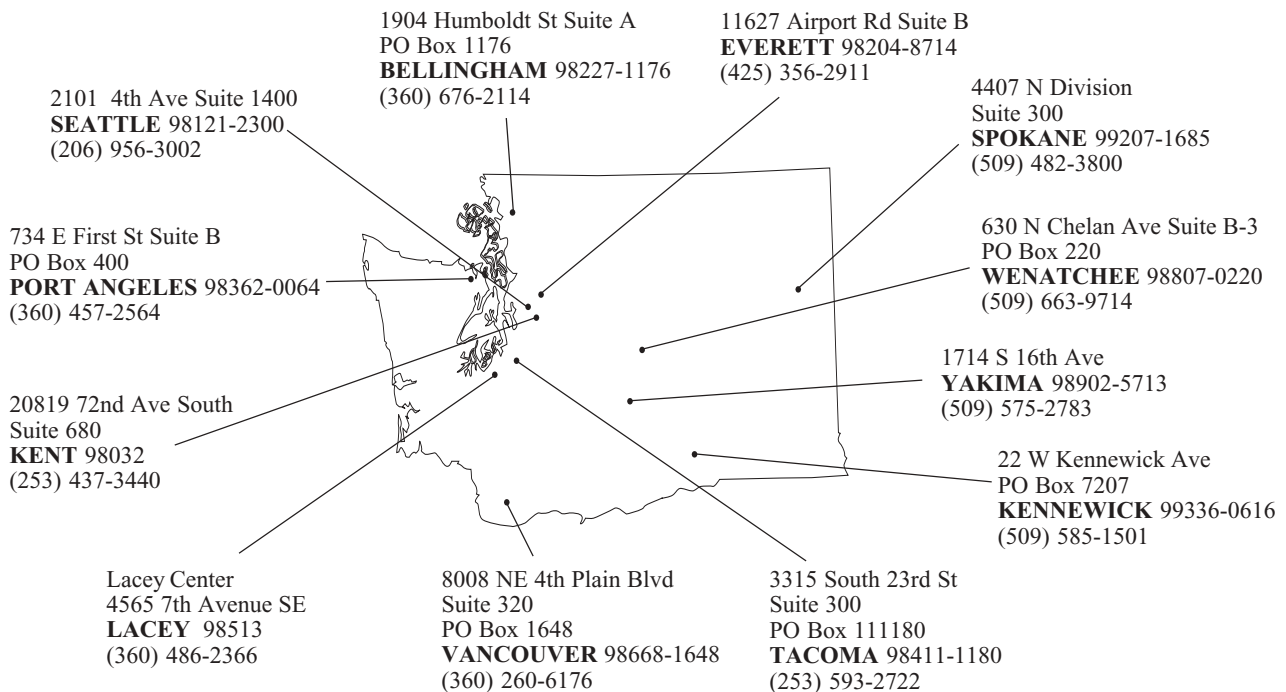
## THANK YOU FOR YOUR FEEDBACK.

# Department of Revenue Taxpayer Assistance



<http://dor.wa.gov>

## Field Office Locations



Telephone Information Center  
1-800-647-7706

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